密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

VOLUME XXXIX SHANGHAI, CHINA, SATURDAY, DECEMBER 4, 1926 NUMBER 1

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 4 AVENUE EDWARD VII, SHANGHAI CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher
ROBERT H. POWERS, Advertising and Business Manager
LIZEN SCHENG, Assistant Advertising Manager

CONTRIBUTING EDITORS

HOLLINGTON K. TONG, H. F. MACNAIR,
HIN WONG, (Canton) BRUNO SCHWARTZ (Hankow)
CHAS. A. DAILEY (Peking) PEI-YU CHIEN,
WM. STEPHEN WANG (Tientsin) H. P. SHASTRI

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TEN DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES SEVEN DOLLARS AND FIFTY CENTS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs
- Is This the Beginning of a New Policy? 1
- Gen. Chiang Kai-shek and Extraterritoriality 2
- Too Much Cotton-Too Much Silk 3

Special Articles
- Silas Strawn Describes China Conditions 4
- What Thompson Saw in the Philippines ..... By Paul R. Wright 6
- The Development of Industry in China ..... By Norman Barrymaine 7
- Goats and Their Skins ..... By Geo. W. Missemer 10
- "Tibetans Who Talk, and Act Like American Indians" ... 12
- Declared Exports to U.S from Whole of China Up to Oct. 14
- Who's Who in China 18
- News from South China 19
- Men and Events 21
- The Week in the Far East 24
- From the Chinese Press 25
- New Books of Interest in the Far East 27
- What Ships Carry between America and China v

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

AMERICAN OFFICE
WORLD WIDE NEWS ASSOCIATION
303 Fifth Avenue, New York City
Telephone: Caledonia 5300: Cable Ad: Scholzem, N. Y.
PACIFIC COAST OFFICES (World Wide News Association)
William C. Lyon, L. C. Smith Bldg., Seattle
Orders for advertisements and subscriptions in the United States may be placed throught the above offices.
WASHINGTON BUREAU
J. J. Underwood—Correspondent
Colorado Building, Washington, D.C.

IS THIS THE BEGINNING OF A NEW POLICY?

THE ACTION of the British authorities in Tientsin in turning over to the local Fengtien militarists, some fourteen Kuomintang propagandists on November 25 is to be commended, if it constitutes the real beginning of a new policy of impartiality in Chinese affairs. But if, on the other hand, this action by the British municipal authorities in Tientsin merely indicates connivance between the British and the Fengtien militarists to prevent the Kuomintang Party from gaining a foothold in North China, it will merely have the effect of accentuating antagonisms which already exist. According to the account of the affair in the *North China Star* of Tientsin, the British municipal police raided the Kuomintang headquarters, which was located in their concession and arrested fourteen Chinese who were connected with the office. All of those arrested were young men, ranging from twenty to thirty years of age and according to the report, some were students, others were labor agitators and at least two 'were officers in the Kuomintang Army.' The local Fengtien military authorities immediately demanded, through the medium of the Chinese Commissioner of Foreign Affairs, that the men arrested be turned over to the local provincial authorities for trial. Finally, on the advice of the British Legation in Peking, the men were handed over.

AS SUGGESTED above, if this constitutes the beginning of a new policy of strict impartiality in Chinese affairs, it is to be commended in highest terms. Furthermore the action is particularly refreshing from the standpoint that it happened in Tientsin, for the foreign concessions in that city for many years have been filled with political refugees who have been given protection against their political foes. Mr. Silas H. Strawn, American delegate to the Customs Conference and member of the Commission on Extraterritoriality, referred to this matter in his recent Chicago address dealing with conditions in China, a report of which appears elsewhere in this number of *The Review*. For those who may not understand the situation in North China, the city of Tientsin, which is only eighty miles from Peking, is made up of a number of foreign concessions, British, French, Japanese, Italian, and so on. The North China militarists and politicians for many years have always dabbled in the Peking political pool while keeping one foot securely planted in some foreign concession in Tientsin. Then if all did not go well in Peking, or if political opponents in Peking became too menacing, it was always easy to take a fast train for Tientsin, or if the railway was blocked there was a fairly good motor road available. As a result of the workings of this system the foreign concessions at

Tientsin are filled with political and military refugees who have found the situation in Peking at one time or another too hot, and since the Peking takings usually have been good, the evidence of wealth is shown in the almost innumerable palatial residences which grace the Tientsin streets. The situation has had its humorous aspects, for it has always been possible to discover the foreign affiliations of Ex-Peking officials, by noting the Concession which they choose in Tientsin. For example, when the Anfu clique in Peking was kicked out by Marshal Wu Pei-fu and General Feng Yu-hsiang some years ago the Anfuites all fled to the Japanese Concession, thus indicating that the Japanese were taking care of their own.

THIS SYSTEM of extending protec ion to political refugees has not, of course, been confined to Tientsin, for the foreign concessions at Hankow and Shanghai and elsewhere have also been used, although to a lesser extent than Tientsin. In South China, the British Colony of Hongkong has always held out the helping hand to the harassed Chinese politicians and militarists in South China. In Shanghai in the fall of 1924 the Municipal authorities permitted Marshal Chi Hsieh-yuan to reside in Love Lane, almost in the center of the foreign area while the Marshal plotted a return to power and when the situation was right, Chi got in his motor car and drove out into Chinese territory to resume command of his troops. Another politician, a civilian official under Marshal Chi Hsieh-yuan, was also permitted to reside in the Kalee Hotel in the International Settlement, where he received visitors and plotted a return to power. In Hankow, the foreign resident will point out to the visitor the palatial residence of General Yang Sen, the Szechuen militarist, who thus maintained a 'stake to windward' so to speak in one of the foreign concessions. And down in Hongkong it is unnecessary to mention such military-politicians as Gen. Chen Chiung-ming who makes the British Crown Colony his headquarters in the off seasons. It was the American Commissioner, Mr. Marshall, who in 1853, was responsible for opening up the foreign settlement at Shanghai to Chinese as a place of residence, but it is doubtful whether he was thinking of political refugees, although this may have been in the back of his mind since the Taiping rebellion was on at that time. But without regard as to how the system started, there is no question but what the Chinese militarists and politicians have found the foreign concessions mighty convenient and the foreign residents of the concessions have benefitted through enhanced real estate values and furthermore the system of extending protection has offered opportunity for paying off political debts and such matters.

BUT THE THING has had a vicious effect on domestic Chinese politics through preventing a complete victory and the consequent vanquishment and elimination of political foes. We do not wish to imply agreement with the Chinese system of cutting off the heads or shooting political opponents, but as long as the Chinese continue this mediaeval system, there is no reason why the foreigners should, aside from the humanitarian element, provide protection to Chinese on Chinese soil. This practice, in connection with the other practice of registering Chinese in foreign consulates as foreign proteges has done more to destroy the foreign position on extraterritoriality than anything else. It may be all right to insist that the so-called foreign special rights, have had nothing to do with the creation of present Chinese chaos, but it is a fact that the granting of protection in the foreign concessions to defeated military and political adventurers, has had much to do with the prolongation of Chinese discord. The reason for this is that Chinese generals and politicians, when defeated, merely step across the boundary into a foreign area where they are perfectly free to plot a new rebellion. If the foreigners would cease granting protection it would help clarify the domestic political situation tremendously through forcing the political malcontents to keep quiet or leave the country entirely. As the thing stands now, the defeated militarist merely jumps to a foreign concession where he enters into negotiations with some foreign gun-runner for the purchase of a new supply of rifles and revolvers and as soon as they are obtained, he is ready for a new war.

THEREFORE, as stated previously, the British are to be congratulated on their action in handing over the Kuomintang propagandists to the Fengtien authorities, providing this constitutes a real change of policy. But if, on the other hand, it is merely another case of favoritism toward one political party, then the final effect will be to create more discord. The foreign position in China has been undermined largely on account of this practice of supporting political factions. The Japanese lost millions of dollars in trade and prestige as a result of the boycott and antagonism which resulted from their attempt to subsidize the Anfu clique a few years ago and much of Great Britain's present trouble in China may be traced to alleged but generally believed reports, of subsidies extended to such militarists as Chen Chiung-ming, Wu Pei-fu, Chi Hsieh-yuan and Sun Chuan-fang. It may be all right for Government officials to declare in Parliament that there is no foundation to these reports, but despite the denials the Chinese firmly believe them and use them for propaganda purposes. The editor of one of the leading British newspapers in Hongkong, recently when asked regarding financial support extended to Gen. Chen Chiung-ming, replied, "Not any more; we have wasted too much money on him already." Just now the Russian Soviets are riding high in China as a result of favors granted and assistance rendered to the Kuominchun and Kuomintang, but the chances are that the Chinese will ultimately turn on their Russian advisers and 'eat them up' and in case the Fengtien militarists should win out in the present internal struggle, Chang Tso-ling and his associates would make it interesting indeed for Soviet interests in China. The Japanese, following their past bitter experiences, are now trying to follow a strictly neutral course in Chinese politics, at least outside of Manchuria, which fact was recently indicated in an editorial in the *Hochi* which stated that the control of most of the Southern provinces by the Kuomintang placed the Southern Government on an equal plane with the Peking Government "thus necessitating a very careful Japanese policy in respect to China."

GEN. CHIANG KAI-SHEK AND EXTRATERRITORIALITY

ALMOST simultaneously with the publication of a summary of the report of the international commission which investigated the subject of Extraterritoriality in China, comes the announcement of Gen. Chiang Kai-shek, leader of the Cantonese forces, to the effect that the Kuomintang Party plans to abrogate all of the so-called Unequal Treaties, including the commitments whereby China grants foreigners the right of consular protection. And since

the Kuomintang Party and its allies, the Kuominchun actually control most of China, one naturally speculates upon the value of the Report on Extraterritoriality, if the Cantonese, who are apparently on the way to a complete domination of the Country, are going to abrogate the treaties anyway. In the interview in the *Hankow Herald* in which Gen. Chiang broadcasted his views on the policies of the Southern or Nationalist Government, the following paragraphs on Extraterritoriality appear:

What about Extraterritoriality and the Foreign Concessions, was the next question.

"If Extraterritoriality continues to exist in China, and if foreign Powers continue to exercise special privileges in this country in the form of admimistering and owning Concessions here under their own laws and outside of the jurisdiction of the Chinese Government, then the present revolution shall not be complete until these are entirely abolished. It is just as great a part of the Revolutionary movement to abolish Extraterritoriality and Foreign Concessions as it is to stamp out the northern militarists, and this Revolution will not come to an end until that has been done."

No Period of Years Or Gradual Abolition

Don't you think it would be more satisfactory to all concerned if the reliquishing of special privileges in China were accomplished gradually, I asked, and that it could be done with mutual satisfaction over a period of years as the Chiuese government machinery developed a standard of recognized efficiency?

"This is not an evolutionary movement. It is revolutionary. There will be no period of years, not one, or two, or three years. We shall have equality and any treaties which do not give us that equality with other nations of the world shall cease to exist as far as we are concerned. There will be no probationary period of waiting from the time the revolution has become a success insofar as our military movement is concerned. There will be no years to wait for the abolition of extraterritoriality and the handing back to China of the Concessions. This will be done at once, and foreigners who wish to remain in China are cordially welcome to stay here and be governed by our laws. Nations who wish to trade with us may do so in accordance with our laws. But no one can stay in China, and no one can trade in China, and still be subject to his own laws alone without reference to the laws of the Chinese government. The idea of waiting for the abolition of these special and unequal privileges over any period of time does not meet with sympathy on our part, and we shall not submit to any such delay under any circumstances."

THERFFORE any elation which foreigners may feel after reading the summary of the report on Extraterritoriality based on the fact that the Powers are opposed to immediate abolition, must naturally be tempered by the knowledge that the Report may not be worth the paper it is written on, if, or when the Nationalist Government gets into control of the Government of China, something which apparently is not far in the future. However, the Report on Extraterritoriality is interesting and significant because it goes deeply into the subject of the Chinese courts and administration of justice as well as the system of extraterritoriality whereby foreigners are subject to their own laws while living on Chinese soil. Part four of the Report, which was made public by the Ministry of Foreign Affairs in Peking on Nov. 28, outlines the conditions under which the Powers would agree to a relinquishment of their special rights. The first recommendation is that the administration of justice in China with respect to the civil population must be entrusted to the judiciary which should be protected against interference by the Executive or other brances of the Government, whether civil or military. The second recommendation urges adoption of a program for improvement of the existing legal, judicial and prison systems and suggests that the Chinese Government should give consideration of recommendations that the Commission has made covering these points. The Government is urged to extend the system at modern courts, prisons and detention houses with a view to elimination of the old-style magistrates' courts, prisons and detention houses and to make adequate financial provision for the same. The Report also recommends to the Powers that pending the abolition of extraterritoriality, the Powers should administer as far as possible the laws of China in the consular courts and that as a general rule mixed cases involving foreigners as complainants and Chinese as defendants, should be tried in the Chinese courts without the presence of foreign assessors to watch the proceedings. It is also recommended that the exist-Mixed Courts should be brought into line with the organization and procedure of the Chinese judiciary system. There is a recommendation that foreign attorneys be given the right to appear before the Chinese courts and that the Powers should correct abuses of the system of extraterritoriality whereby Chinese are often given foreign registration in the foreign consulates. There is a recommendation urging prompt execution of judgments, summonses and warrents of arrest or search and finally, in reference to the question of taxation, it is recommended that pending the abolition of extraterritoriality, the nationals of the Powers concerned should be required to pay "such taxes as may be prescribed in the laws and regulations duly promulgated by the competent authorities of the Chinese Government."

TOO MUCH COTTON—TOO MUCH SILK

IT IS ONE of the anomalies of the intricacies of modern life that when Nature is bountiful that is often the very time when there is the most weeping and gnashing of teeth. Now it so happens that cotton is the principal agricultural product of the United States and that silk is the most important product of Japan. It so happens also that America is the best customer for the silk of Japan and Japan is also a very important customer for America's cotton. It further has happened this year that Japan has had a very exceptional production of silk and America is harvesting the greatest cotton crop in history. Now the result of all this ought to be great happiness, but quite the contrary is the case—there is extreme tension and bitterness. Both as regards cotton in the United States and silk in Japan, the governments are being appealed to and to a certain extent are placing facilities at the disposal of the suppliers of these two important textiles. Millions of bales of cotton are to be stored in the United States and held for better prices. The price of cotton in the United States, owing to the huge yield, has dropped so low, that in the more remote regions and particularly in such districts where there has been a partial failure, the crop is not being picked at all. Many parts of Texas are badly hit.

AS REGARDS SILK, one explanation of why the Japanese product is not in such demand at the moment in the United States as it was until several months ago is that the drop in the price of silver has very materially placed Chinese silk at an advantage over Japanese silk in terms of United States money, although the Chinese shrewdly enough have advanced prices somewhat in view of the drop in silver.

Chinese silk as such is generally of better quality than the Japanese article, but the Japanese have more than made up for the inferiority by producing a more uniform quality of thread, so that Japanese silk will go through the looms with a minimum of breakages. Constant improvements are,

however, being made in the quality of Chinese silk, and now that Chinese silk has the opportunity of "putting it over" on Japanese silk in the United States, doubtless greater efforts than ever will be made to produce a fiber of uniform quality.

WHEN THE BREAK in the price of American cotton came several months ago the Japanese bought heavily and the boats from America to Japan are loaded chock-a-block with this fiber so vital to their industry. Indications are that the Japanese were a little too premature in making their purchases, that is, viewed from the point of getting the best bargain. As regards the import of cotton from the United States to China, the drop in price in America has been fairly set off by the drop in silver so that the Chinese have not the same incentive to buy heavily of American cotton at present as the Japanese have.

There is a fairly steady import of better grades of American cotton into China, a small proportion of which is mixed with the inferior Chinese grades. But even though there may be periods when the price of cotton in America and the price of silver may be coordinated to lay down a better grade of American cotton for the money than can be bought in China, the Chinese market is somewhat chary of investing heavily in the American fiber, one of the points hidden away in the subconscious mind of the China mill owner being that if the buyers are once supplied for any period of time with the better and more uniform thread they may be tempted to ask for it permanently in the future.

New Chief of Staff, U. S. Army Had China Service

Major General Charles P. Summerall, who on November 21 succeeded Major General John L. Hines, as Chief of Staff of the United States Army, is an 'old China hand' due to the fact that he had service with the American forces in the Boxer uprising of 1 00. The Sunday Magazine of the New York *Herald-Tribune* for Oct. 24 contained an extensive review of the life and achievements of Gen. Summerall, stating that he took part in the Boxer campaign with Reilly's battery, now Battery F of the 5th Field Artillery. He participated in the capture of Peitsang and Yangtsun and won special distinction in the actual capture of Peking, the following story being told in this connection.

"During the capture of the Imperial City his guns accompanied the storming troops, and after Reilly fell Summerall eventually succeeded to command.

"The heroic incident of the Manchu Gate, handed down as one of the glorious traditions of the Field Artillery and as famous as its song, "The Caissons," occurred at this siege of Peking. They had been battering the inner wall of the Forbidden City for days without effect. Even the great Manchu Gate of iron-hard teak and hammered bronze withstood their fire. Suddenly Battery F ceased firing. Under a hail of bullets from the wall young First Lieutenant Summerall dashed for the gates. In his hand he carried a piece of chalk.!

"Opposite each lock of the great gates he marked a bold cross of chalk and sped back to his battery. "Now lay on that!" he growled to the pop-eyed gunners in that deep bass voice of his. The gunners (there were six guns to a battery in those days) "laid on that," The crosses were as plain as the crosses they used in the battery park to calibrate their guns. Each gunner aimed at his separate cross and the lanyards swung ready. At the first salvo the great gates swung unbarred. Through that unprotected arch swelled a wave of the Allies' infantry and the Forbidden City was won."

Major General Summerall is a native of Lake City, Florida where he was born on March 4, 1867. After graduation from the Porter Military Academy of Charleston, South Carolina, he taught school for two years and then entered the West Point Military Academy. He was appointed Major General in June, 1918 when he became commander of the First Division in the European War and earned special distinction, including the D. S. C. in the fighting at Berzy-le-Sec, near Soissons during the Aisne-Meuse offensive.

Silas Strawn Describes China Conditions

The following account of an address by Mr. Silas H. Strawn, who represented the United States on the Chinese Tariff Conference and on the Commission on Extraterritoriality, appeared in the Chicago Tribune on October 28.

CHARACTERIZING as "pure bunk" any theories that China's present precarious status is due to imperialism or lack of tariff autonomy, to extraterritoriality or to unequal treaties, Silas H. Strawn spoke here yesterday.

Mr. Strawn, who was United States delegate to special conferences in China on the customs tariff and on extraterritorial jurisdiction, told members of the Association of Commerce, at luncheon at the Hotel La Salle, that the Chinese republic's troubles are based mainly on these two factors:

China has no stable government.

Everything is dominated by the military operations of the war lords.

Report on Conditions There

The Chicago attorney, in his first public speech since his return from China, where he was engaged officially for more than eleven months, presented an analysis of the Chinese tariff question. He also pictured conditions in that country vividly. Lack of communication, supremacy of the avaricious war lords, the endless series of manufactured motives to make civil wars, with the treasury of the central government as the stake, outrageous taxes on merchants, all of these conditions were cited by Attorney Strawn as elements which worked against the possibility of any immediate formulation of a fixed policy with China.

Larger than United States

Mr. Strawn's speech, in part, follows:

"The area of China is a million square miles greater than that of the United States. China is larger than the United States, Mexico and Central America combined. It is larger than all Europe. More than four hundred million, or one-fourth of the people of the earth, live in China.

"Ninety-seven per cent of the Chinese can neither read nor write, even in the Chinese language. I would not imply that the Chinese people are stupid or of a low order of intelligence. The great mass have no educational opportunities. There are many different dialects. The Cantonese cannot converse with the Pekingese except in pidgin English.

"China has extremes of climate. It is very cold and dry in the desert north and hot and damp in the tropical south. It has a great variety of natural resources. For reasons which I shall hereafter state, there are comparatively few industries in China. The great mass of the people live by tilling the soil.

7,000 Miles of Railway

"There are seven thousand miles of railroad in China, compared with 265,000 miles in the United States. On account of cheap labor, the operating ratio of the Chinese railroads to their earnings is less than in any other country. The tonnage available for transportation is very large. While in other countries the earnings of the railroads go first to the payment of employes and operating expenses and then the net to the owners, in China all of the earnings of the railroads are taken by the war lords.

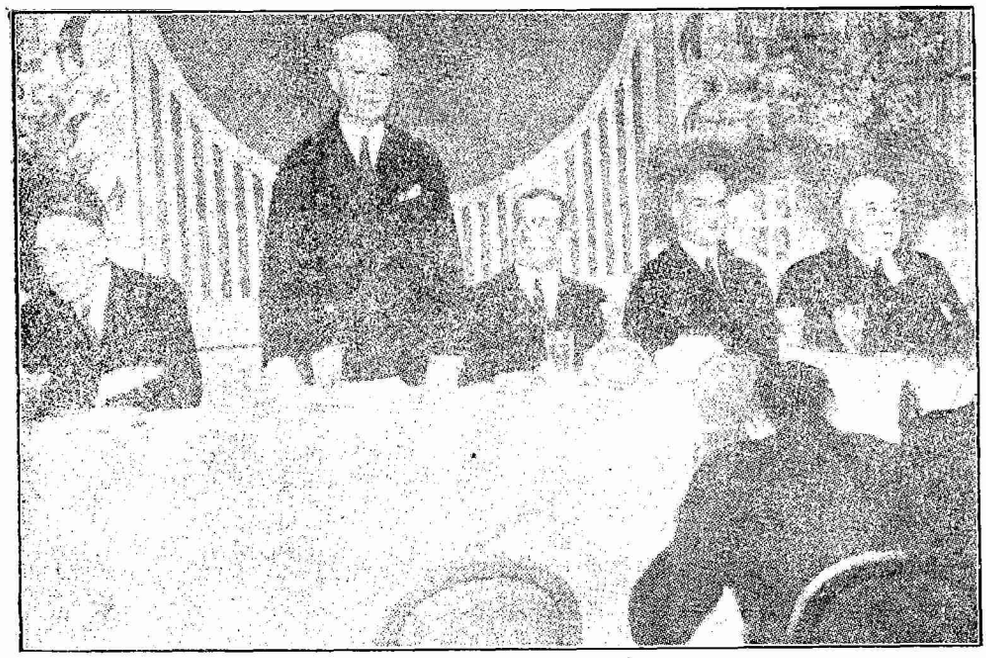
"The official report of the Chinese minister of communications to the chief executive in September, 1925, states that more than one hundred and eighty million dollars, or, with interest, more than two hundred and fifty millions of the earnings of the Chinese railroads, have been taken by the militarists since the foundation of the republic—thirteen years.

War Lords Run Roads

"All of the railroads in China are now absolutely controlled by the military. When the equipment is not being used for the movement or billeting of troops its use is sold by the war lords to the unfortunate shippers at outrageous rates. The usual 'squeeze' for the use of freight cars is $5 per ton in addition to the freight rates. Thus, to obtain the use of a 40 ton car from Tientsin to Peking, a distance of about 90 miles, the shipper is held up for $200, plus the regular freight.

"When I left China I was reliably informed that Wu Pei-fu was collecting from the Peking-Hankow railroad $1,000,000 per month. The total earnings of the road being $1,500,000 and the pay roll $650,000 per month. it is obvious the employes cannot be paid—and they had not been for several months. The other dominant general, Chang Tso-lin, is receiving the revenue of the Peking-Mukden railroad —running from Peking to Mukden.

Mr. Silas H. Strawn Tells Chicago Chamber About Conditions in China



Mr. Silas H. Strawn, American Delegate to China Tariff Conference and Extra-territorial Commission Informs Chicago Chamber of Commerce About Conditions in China. Those at the Table are, (left to right) Wm. R. Dawes, brother of Chas. G. Dawes, Vice-President of the United States; Silas H. Strawn, Harry Eugene Kelly, Rear Admiral W. A. Moffett, Geo. M. Reynolds.

"No attention is paid to maintenance of way or equipment. All of the equipment owned by the Chinese government railways is rapidly becoming useless because of lack of repairs. Loans upon the several railroads are defaulting as rapidly as they mature.

"The result, therefore, seems inevitable—unless conditions soon change it will not be long before the railroads of China must cease operation and the unfortunate people will be compelled to go back to the barrow or pack their freight upon their backs. Most of the camels, donkeys, and cattle of the patient, industrious farmers have already been taken by the soldiers.

"There are no highways in China and few automobiles. There are but about 8,000 motors in all China, against 20,000,000 in the United States.

Monarchy 4,000 Years

"For thousands of years the government of China had been an absolute monarchy. On Oct. 9, 1911, a bomb exploded in a Chinese house in the Russian concession at Hankow. This was the beginning of the revolution which resulted in the abdication of the Manchu dynasty on Feb. 13, 1912. The revolutionists made a declaration and issued a manifesto more eloquent in denunciation of the oppression of the Manchus than was our declaration of independence in denouncing the treatment of us by King George III.

"Many patriotic, well educated and intelligent Chinese have been and are doing their best to establish a stable government, but they meet with little success in the face of the continuing wars carried on by war lords who are actuated by but two motives—greed and aggrandizement. War is the only prosperous business in China.

"As indicative of the instability of the Chinese government, I may mention that since the attempt to establish a republic fourteen years ago there have been eight presidents or chief executives, forty-two cabinets with a continuously changing membership, and twenty-five ministers of justice. The last president, Tsao Kun, was locked up in Peking from December, 1924, to April, 1926, because it was said he bought his office—yet no formal charge was ever made against him and he was never brought to trial. He was released when the armies of Wu Pei-fu and Chang Tso-lin entered Peking on April 10, 1926. On that day the chief executive, Tuan Chi-jui, fled from the presidential mansion to the foreign legation quarter in Peking and thence to a foreign concession in Tientsin, where he now resides.

Political Opinions Often Fatal

"Two other presidents of the Chinese Government preceded him to that asylum. In China it is a capital offense to differ politically, so that when an opponent gets control of the government machine or a hostile military leader appears, it behooves all acting officials to get within the protection of a foreign concession if they desire to live. In addition to the three former chief executives now living in Tientsin, there are twenty-six former tupans or governors of the several provinces and a large number of other Chinese high officials who have either incurred the wrath of their political opponents or have too generously helped themselves from the public treasury.

"Since April 10, 1926, there has been no government in China. The authority of the central government is gone. Outside of Peking no regard is paid to the orders or wishes of the so-called 'regency' cabinet, which is assuming to function as a government. During the last year the entire country has been overrun by soldiers and bandits. Foreign legations are unable to secure any redress from the central government for wrongs done to their nationals in any part of China.

"Provincial officials hold the central government and its orders in contempt. Long past due obligations, foreign and domestic, for money borrowed and for material furnished to China to operate her railroads and public utilities give the central government little or no concern. The officials under the direction of the war lords are interested solely in devising ways and means of increasing loans and raising funds to meet the requirements of their masters.

"Wholly regardless of the prosperity of the country and of the welfare of the merchants and tradesmen, outrageous internal taxes of every conceivable kind, the revenue from which goes not to the support or maintenance of the civil functions of the government but to the military, are imposed upon the impoverished and suffering people. Minor including the police guarding the officials, city of Peking, remain unpaid. The only departments of the government that are being capably and economically operated, and in an orderly and businesslike manner, are the postoffice, the maritime customs, and the salt administration, which are under the control of foreign employes.

Citizens' Rights Are Flouted

"No Chinese citizen dare protest or attempt to do anything to bring order out of the chaos that obtains. Every newspaper article which escapes the censor and may be regarded as a criticism of the dominant war lord or his underlings subjects the editor to the peril of summary execution without even the pretense of a trial.

"I have tried to give you a brief picture of general conditions in China that you may have some idea of the difficulties confronting the foreign powers in their efforts to do something for the patient, industrious and longsuffering Chinese people. The real trouble with China today is not that she is suffering from imperialism,' from unequal treaties,' from extraterritoriality or from the lack of tariff autonomy.

"I had two jobs in China. One, with our minister to China, Mr. John Van A. MacMurray (who, I may say in passing, most capably represents our country there), was that of a delegate to the special conference on Chinese customs tariff; the other, as commissioner of the United States on the commission to inquire into the exercise of extraterritorial jurisdiction in China and into the laws and judicial administration in China with a view to determining whether the powers having extraterritorial rights in China should surrender those rights, either progressively or otherwise."

Tells of Tax Systems

Mr. Strawn then outlined the tariff and the internal and regional taxation systems of China. The present tariff rate, he explained, was 5 per cent, but "likin" is a system whereby local authorities levy taxes on goods moving across

boundaries of provinces or arbitrary barriers established within the provinces. These local customs have built up a tremendous barrier to trade and engage the services of several million Chinese, joined in a political machine.

The efforts of the powers to cooperate with China at a conference to increase its tariff and abolish the "likin" began at the Washington disarmament conference in 1922, he said, but disputes with France over indemnity payments delays its calling until 1925. Since then the revolutionary activities of China's war lords have made it impossible to meet representative delegates from China. Peking, Mr. Strawn explained, had no power and was but a pawn, subject to the varying fortunes of the battling factions.

After waiting for months, the foreign delegates finally gave up in despair and issued a statement they were desirous of continuing the work of the conference as soon as the Chinese were ready to resume. "Instead of the foreign delegates running out on the Chinese," said Mr. Strawn, "the Chinese delegates, including the chairman, 'ran out' on us."

Delegates in Despair

The conference on extraterritoriality, Mr. Strawn said, was more successful and a report was signed by the commissioners of the thirteen nations, including China. This report is to be published Oct. 30 by the state department. Continuing, Mr. Strawn said.

"Your announcement indicates that I am expected to make some observations about China's future. He who could prescribe a panacea for the cure of all the ills of China would be the greatest pathologist the world has seen. No one seems able to write a prescription. One of the great world questions today is: What can the other nations do to stop the continuous civil war in China so that the frugal, industrious, and patient Chinese people may enjoy the fruits of their labor, meager though they be, in peace rather than be continuously impoverished and enslaved by bandits and soldiers? Obviously, our trade as well as that of the other nations with China cannot be increased, or even maintained on its present basis, unless there is peace. The Chinese people will have no money with which to buy our goods, and there will be no means of transporting goods into the interior of China.

U.S. Tries to Help China

"While the attitude of the United States toward China has always been helpful and sympathetic, conditions in China change so rapidly it would seem to be impossible for our government to announce in advance any definite policy which could meet those changing conditions as they occur. We have done—the United States and the other powers—everything that possibly could be done to carry out the letter and spirit of the Washington treaty respecting the tariff and extraterritoriality. The work of the extraterritorial commission is completed. That of the tariff conference is unfinished, not because of any fault or failure on the part of the foreign powers, but because of the conditions in China which I have attempted to describe.

"The business men of this country may be assured that our President and secretary of state are thoroughly familiar with conditions in China. They have given their constant personal attention to what we have been attempting to do there during the last year. They are entirely sympathetic, not only with our creditors in their efforts to collect long past due debts from the Chinese government, but also with the interests of our merchants and manufacturers who are desirous of promoting trade with the Chinese. The responsibility of our relations with China rests primarily upon the President and the secretary of state. I have an abiding confidence in their ability and willingness to discharge that duty wisely and well."

English Team Wins International Walking Match

The English walking team came out first in total points in the annual international walking match held in Shanghai on Sunday, Nov. 28, the standing of the various teams being as follows: English, 41; Chinese, 45; French, 56; American, 58; Irish, 63. The Japanese team was disqualified owing to the running of one of its men while the Scottish team was eliminated through the collapse of one of its men. The individual winner of the match was S. Sakurai, a Japanese, while second place went to H. Howard, an American. Third place was won by a Frenchman, R. Chaillan and fourth went to a Chinese, Z. C. Chang. The distance covered in the match was approximately 17 miles and the time made by the Japanese winner was 2 hours, 13 minutes, 13 ⅗ seconds. H. Howard who came in second made the time of 2 hours, 41 minutes, 43 ⅗ seconds. Large crowds lined the course for pratically the entire distance.

What Thompson Saw in the Philippines

BY PAUL R. WRIGHT

(Correspondent, Chicago Daily News)

THERE needs to be a law in the Philippines limiting the number of banquets and formal dances to which the investigating missions from the United States are subjected. Or else the United States should take care to send over as investigating commissioners only those gentlemen who have passed the proper examination and are guaranteed to possess copper-lined stomachs and piano-wire legs. Otherwise, if these precautions are neglected, some time these lovely islands will behold a disaster, because the dual or triple strain put upon the Americans who are sent over here is more than flesh and blood and bone can endure. The fact that Colonel Carmi A. Thompson, the President's personal representative, thrived and grew strong is no argument to the contrary.

The colonel did not dance. He attended the banquets in the line of duty and he pursued his economic investigation, but he kept off the ballroom floors. Other members of the party attended to the dancing.

As near as the official statistician can estimate, there were 9,000 miles, very nearly, of banquets, dances and economic inspections between the day when the Thompson party arrived in Manila early in July and the wind-up in Manila in October. These 9,000 miles were traveled in Philippine revenue cutters, in automobiles, and in railway trains. There were uncountable parades of Spanish war veterans, numberless lines of school children marching or standing at attention, and some thousands of placards most of which begged the colonel to give the Filipinos independence.

Colonel Thompson did his duty by them all. He read the placards—which he knew had been ordered by the politicians in Manila—with proper gravity. He smiled at the children. He shook hands with the veterans. Altogether he enacted the role of President's representative with care and patience, and in some cases with too much patience.

He was perfectly indefatigable. He was sent to the islands to make an economic investigation and he made it. No banquets deterred him and no social activities made him too weary to go out and see. He investigated coal mines, rubber plantations, cane fields, hemp mills, coconut groves, pearl fisheries, cattle ranges, coffee soils, rice growing irrigation works—everything. It was never too hot nor too wet. He wore his round sailor straw hat—purchased in Cleveland—when the old timers were wearing sun helmets, and the heat never bowled him over. And he was impervious to rain. Apparently he was economically inspecting when he pretended to be otherwise engaged. A notable case in point was the trip that two of us made with him across Dumaquilas bay, on the south side of Mindanao. The colonel had heard report that there was an island of flying foxes somewhere in the neighborhood, and so we set off one very squally afternoon to see the flying foxes, and we found them, the biggest bats in the world, measuring more than four feet between the tips of the wings. We returned in a violent storm of wind, rain and lightning. The launch danced on the waves, the gasoline gave out. We were wet to the skin. But the colonel smiled. He had seen more than flying foxes. He had inspected an enormous landlocked harbor in which the biggest navy in the world could comfortably and safely ride at anchor. And on the shores his mind, no doubt, had already founded a new and wonderful city.

Altogether, the colonel's eye—which has sucessfully studied North America from Montana copper veins to Mexican oil fields, from West Virginia coal seams to the gold in the Golden Gate—beheld opportunities for economic development on the right hand and the left. Everywhere his executive secretary gathered in economic facts. These facts were showered upon the expedition in a deluge. They were delivered orally and in carefully typewritten sheets. They came in books and pamphlets. They accumulated in the colonel's quarters in great mounds. Eventually they will form a rich deposit of information that will serve as an appendix to the colonel's report to the President.

That report should be interesting and valuable to both the Philippines and the United States. It will serve to show the sentimentalists back home what a magnificent thing they propose to throw away in the Far East, to be quarreled over by Chinese, Japanese, Malays and others. And furthermore, the colonel's report should convince the Filipino that the Philippines are worth developing. Indeed there is already evidence that the Filipino mind has been stimulated, because at this writing thousands of homestead claims are being filed by Filipinos, who are suddenly in a rush to plant

their little farms in districts where such farms could block large-scale "capitalistic" development.

So much for the economics. The political part is also interesting and worthy of more extensive analysis than can be given here. There is no doubt that when Colonel Thompson landed in Manila the *politicos* jumped at the chance to use his mission to advance their own cause. They attempted to exploit Colonel Thompson. They tried to play him against the governor general, Leonard Wood. They tried to make Thompson think that they, the *politicos*, were like the rank and file of the Filipino people, fair average examples of Filipino culture, and that the cry for independence that assaulted the colonel's ears was the spontaneous and veritable voice of the people. These attentions from the Filipino intelligentsia, the brainy *mestizo* class, may have deceived the colonel at first, and they may not.

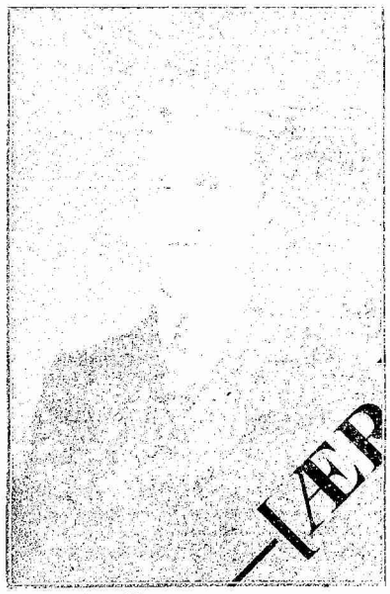
At any rate, by the time his travels in the islands were ended it may be assumed that the colonel knew what was what. He has been thoroughly well introduced to the oriental mind.

One thing in addition: Colonel Thompson proved himself more than a politician from Ohio and more than an investigator. He proved himself a man. He was kind and courteous always, solicitous for the well being of the members of his party.

And he never lost his temper. Even the heavy difficulties of the last voyage of twenty-eight days were unable to annoy him or to make him forgetful of others.

Chapman Agrees to Return to China for Trial

William A. Chapman, former Clerk of the United States Court for China, has agreed to return to China for trial in the United States Court at Shanghai on the charge of embezzling funds from the Court, the amount of money involved being approximately $40,000. Mr. Chapman was arrested in Seattle several months ago upon information supplied by the American authorities in Shanghai and through his attorneys made a desperate fight against being brought back to Shanghai for trial.



Mr. Wm. A. Chapman

However, according to recent information, Mr. Chapman has decided not to make further resistence and will shortly return here for trial, his decision apparently being made as a result of a ruling of the U. S. Court of Appeals, that he could be returned here for trial. Heretofore, the impression has existed that an American citizen could not be legally brought back to China for trial for an offence committed in China.

Mr. Chapmen came to the Far East several years ago as a member of the United States Army in the Philippines, where he served as private secretary to General Pershing. After coming to China he was employed for a time with the British-American Tobacco Company, following which he became assistant secretary of the American Chamber of Commerce. After leaving the Chamber of Commerce, he was appointed Clerk of the U. S. Court under Judge C. S. Lobingier, and prior to his alleged defalcation had enjoyed an excellent reputation here.

Another Chinese Ship Pirated Near Hongkong

The Chinese steamer, Wanhoi, while on its way from Kongmoon to Yeungkong, was captured by pirates on Nov. 19, the pirates seven in number having embarked as well-dressed Chinese passengers at the Customs station at Ngaimoon. After shooting the Chinese soldier guards, the purser, cashier and a clerk, they took possession of the ship and ordered the commander to proceed to Chekpei where it was beached. After confining the passengers which included Father Fletcher of the Yuengkong Catholic Mission and seven Canadian Sisters of Mercy, Mary Knoll Mission, in a cabin, they looted the ship taking all possessions of passengers, including money and jewelry, the pirates escaped.

The Development of Industry in China

BY NORMAN BARRYMAINE

THERE is a tendency on the part of those interested in China's welfare to discuss only the political aspects and ignore the real causes of the trouble, which are economic. The Chinese leaders of thought, especially the foreign trained students do not seem to realize these facts. They concentrate their attention on paper constitutions and outward forms and make no concerted effort to solve these more vital questions. Neither do the foreigners interested in China attempt to deal with anything except surface conditions.

The cause of this economic chaos is largely the result of the handicraft system of the Orient being co-existent with the modern factory system of the Occident, and the social and economic conditions applying to handicraftsmen cannot apply to factory workers. The result of this head-on collision has naturally been disastrous and this has been all the more enhanced by the Chinese administrations failing to realize what was occurring and did not take the necessary precautions to adapt themselves to the new mode of living.

Throughout the ages China has been a well-balanced economic organisation, and this to some extent exists to-day in the interior. It is around the Treaty ports and the larger cities where foreign influence has been felt most keenly that the trouble lies. Under China's old *regime* each district produced very largely the goods which it consumed and there was relatively little need for the transport of large quantities of foodstuffs or manufactures. Most of the population lived in villages and which were almost entirely self-supporting. The news of the community could be planned for in advance for the handicrafts men were supplying people whom they knew. Neither was the artisan forced to seek a market further afield than where he lived. The law of supply and demand was reduced to the simplest ratio, with the attendent result that fluctuating prices was non-existent. Poor roads and primitive transport fascilities were his greatest protection. Life was perhaps arduous, though not unhappy, while what was even more important was that everyone was assured of a living. The muscles of men and animals took the place of machinery. Thus we find to-day this primitive system being compelled to compete with the cheaper machine-made products of the Occident. Furthermore with the development of railways and better roads the foreign merchant is now enabled to market his goods in the remotest parts of the country. The handworker is therefore being gradually forced out of business and drawn back to the already overcrowded land. The whole organisation is disrupted. Even in the cities there is insufficient work for all and a man who loses his job is very quickly trodden underfoot.

It is only natural under such circumstances that these people are unreceptive to new ideas, for they resent interference with their previously well-ordered existence. As an example, the plea of better roads is often heard and one immediately receives the answer that broad, smooth roads, fitted for cart or motor traffic, deprives of a livelihood thousands who are now employed as porters of goods; and the cry against railways is that they are very convenient for the rich, but are useless for the poor. Although this has been proven to the contrary, it is not to be expected that the people who earn a pittance, say, by yulowing sampans about a river, will be pleased to see the work formerly done by many hundreds of sampans and junks, replaced by a few dozen steam launches and tugs.

Perhaps, however, the greatest crying greivance of the Chinese to-day in the interior is the utter insecurity of life. However industrious a man may be he has no assurance of keeping the earnings of his toil or of even preserving his personal safety. The grinding toilsomeness of poorly paid labour is a trifle beside the fact that he may any day be seized and dragged off by robbers to a lair in the hills and shot or tortured by them if he does not work for them as a slave or produce for them a ransom from relatives whose homes those same robbers have very probably looted and outraged. If he escapes this fate, it may be only to find himself pounced upon by a mititary press-gang—and again unless he finds somehow the means of buying himself off—be commandeered to carry stores for some wandering "army" or other engaged in an unintelligible civil war, or in plundering the country-side for the support of a predatory potitical adventurer—and to endure the invasion of his personal freedom without notice, without wages or any sort of compensation, and in some cases even without provision of food, without the remotest chance of obtaining redress from the

law, exposed to every extremity of brutality, and lucky if he should even see his home again alive.

The civilization of the Occident is largely based upon the production by power-driven machinery of large quantities of standarized goods, manufactured from raw materials imported from abroad. These raw materials are paid for by the export of manufactured articles in endless variety, which find a market not only in Europe and America, but all over the Orient as well. Gandhi in India realized what was happening and tried to remedy it by boycotting all machine-made articles, whether manufactured in India or elsewhere. His failure was inevitable. For the handworker to compete with the power-driven machine, either in China or any other Asiatic country, there is no hope. But conditions which prevail to-day in China are not without precedent in our own history, for much distress was caused among the workers by the gradual introduction of the industrial system. It even led to riots and instances may be cited where factories were destroyed by the handworkers whom it had displaced. In time these workers were absorbed to tend the machines and a new social organisation came into existence. The same process is going on in China, but is intensified by her larger population estimated at 430,000,000 million people.

It is therefore difficult to comtemplate calmly such human misery that we see to-day. Many of these are constantly underfed, and contributions are constantly being sought for famine relief. Some kind of active measures will have to be taken, and taken very shortly. The danger of a Bolshevized China must be averted at all costs. In certain parts of the country soviet propaganda has made astonishing headway. In 1919 Russian Bolshevism was still a sort of legend in China. In 1925 we saw it triumphant. It nearly had the country under its heel. The late Soviet Ambassador Mr. Karakhan, weilded more authority in China during the past two years than any of the native political non-entities to whom he was accredited. Students filled with the fire of communism have been working for him in every corner of the Empire. His satellites have been organising labour in the industrial centres. To the average more or less intelligent Chinaman Moscow means power, and Peking weakness. Moscow stands for commercial prosperity and security of life; Peking for ruin, famine, and civil strife. Peking incarnates a policy of revolt followed by slavery; Moscow a policy of revolt followed by emancipation.

Nevertheless, one thing must be borne in mind—a fact that has escaped Karakhan's and his agents calculations. Bolshevism does not accord with the normal mentality of the Chinaman. It is in violent conflict with immemorial traditions, with his ancestor worship, with his family cult, with his respect for woman—not as we conceive it, but nevertheless very powerful,—with his inherent love of money, with his passion of gain, with his cupidity. *Fat'sai*—'make a fortune'—that is the ambition of every son of San. Moscow has overlooked the fact that they will never reach the heart of these four hundred millions of Chinamen, of that inert mass that you can push to the edge of the precipice but can never shove over it. The Chinaman is an athiest, a more convinced athiest than any Russian can ever be. But he is a credulous athiest, he is an athiest chock-full of superstitions, of trivial but imperative beliefs, of rites of bigotries. He is a mystic, an ecstatic, a conscious devotee, but not a ritualist or dogmatist.

Suppose we allow that Bolshevism may convert all the people of Peking, Tientsin, Hankow, Shanghai, Canton and three or four other great cities of China. That would mean according to the most reliable estimates, less than ten million people—a mere drop among the four hundred million who live in China. No sort of crusade, no matter how vigorously or shrewdly and persistently conducted, will ever reach that great rank and file of the Chinese nation which lives remote from its metropolitan centres with their veneer of western thought and science—that great host who lead a life that is an absolute negation of Soviet principles, who take no thought of world problems or even of their own country's political future. To imagine that you can visualize this great ocean of humanity Bolshevised is as profound error as to compare the Russian muzkik, primitive as he is, with the illiterate, egoistic, tradition bound Chinese peasant.

Part of the damage to Chinese society arises from the fact that portions only of the western civilization have forced their way into China, with the result the country is in a state of ebullition—a sort of alloy of two creeds. The remedy therefore lies in the development of the compensating mechanism of Occidental social organisation. The necessity for organised instruction and control by the Government is even more essential in China than elsewhere, for China has not developed many great corporate institutions, and the habit of united effort upon a large scale has yet to become common. Without this the construction of a well-balanced industrial organization throughout China will be slow. The failure to recognize this is a terrible handicap.

Unless some effective form of government is established, the economic reorganisation of China, which is absolutely essential to the welfare, not only of the masses, but of all classes, becomes practically impossible. Since the overthrow of the Manchu *regime* in 1911, and the death of Yuan Shi-kai in 1916, China has been the prey of military adventurers, who overtax and oppress the people at pleasure. These rulers use local revenues to support their armies, seize the proceeds of the salt taxes, which are pledged as security for foreign loans, divert the earnings of the railways for military purposes, with the consequent result the whole transportation system is falling into dilapidation through failure to make necessary repairs and replacements. It is only natural that foreign and Chinese capitalists who have suffered such bitter experiences in the past are reluctant to invest further sums. The safety of life and property outside of territory under foreign control, does not exist. The incentive to develop the latent wealth of China, which is absolutely essential for the regeneration of this country, is non-existent.

Returning, however, to the present economic chaos in China, it is absolutely necessary that the people are willing to adapt themselves to the new conditions, and appreciate the necessity of the industrial change. The Chinese merchant has shown very appreciable progress along these lines, while the masses have also proven that they can be trained into satisfactory machine operatives. One of the chief necessities, however, is the training of young men so that they may act as capable foremen, superintendents and managers. Hitherto, there has been a tendency on the part of the Chinese students to devote themselves almost entirely to academic subjects.

Given a sound Government, a certain amount of state enterprise in industry would be desirable. The state is in a better position to borrow large sums of money which are now urgently needed to erect factories, to provide machinery, raw materials, to pay wages and finance these new enterprises. The state would also be better able to employ foreign experts that would be required and also to insure that vital industries do not come under the control of foreign powers. There is no doubt that large profits can be earned by the employment in factories of the abundant cheap labour to manufacture from local raw materials the goods which at present are imported from western countries. There is no reason why China should not in the course of time become an important factor in international trade, but this at the present rate of progress will take many years.

Much might be done to improve the present conditions of agriculture. The substitution of power for human and animal muscles is very urgent. The difficulty lies, however, in the small size of the holdings and the nature of the crops. The present poverty of the farmers in some districts where rainfall is inadequate could be improved by better irrigation facilities. The present methods of raising water from wells and streams by man power or with animals is much too expensive, while on the other hand the cost of even the simplest pumps with engines to drive them is prohibitive. The solution might lie in the formation of co-operative societies which has worked to very good advantage in the Philippines. These societies might assist to provide chemical fertilizeris, pumps and other agricultural machinery. It would be necessary, however, to have some form of governmental supervision.

I have hitherto avoided making any mention of China's relations with the foreign Powers but in one respect which directly concerns industry it is unavoidable. I refer to the question of China's present tariff system. Under the present arrangement a flat rate of 5% *ad valorum* is charged on both imports and exports, on a conventional schedule of prices. It was intended originally when China signed this treaty with the Powers that this schedule should be revised every ten years, but it has only been subject to revision twice and that in the years 1902 and 1918. At the Washington Conference it was decided that this schedule should be again revised, and an additional surtax of 2½% be allowed, while in the event of China agreeing to the abolition of *likin* the rate be raised to 12½%. It is useless to recapitulate the failure of the Tariff Conference this year in Peking, but whatever foreign experts may say to the contrary the abolition of this fiscal impairment to China must come sooner or later. It is perfectly obvious to any sane thinking person that the present arrangement which provides a flat rate on necessities and luxuries alike, is ridiculous, and furthermore this same rate applies to exports. Under this system China's industries are in no way protected against foreign competition. This indiscriminate taxation is a great injustice to those who have to depend for their existence upon necessities, and a great hardship to infant industries which are just beginning to flourish.

I have left to the last perhaps one of the most important problems in connection with China's industrial progress, and that is the necessity for legislation protecting the operatives

Ford

A WISE INVESTMENT

When you purchase a Ford car you are making a wise investment. For your money you obtain an automobile which is world-famous for its reliability, one which is protected by world-wide service. And you have the added satisfaction of knowing that when the time comes to dispose of your car, you can do so without the slightest difficulty, and at a good price, for the resale value of the Ford is the highest in the world in proportion to its original cost.

FORDOR SEDAN

Tls. 1,450.00

Price, with balloon tyres
and
SELF STARTER

Delivered in Shanghai

BILLS MOTORS

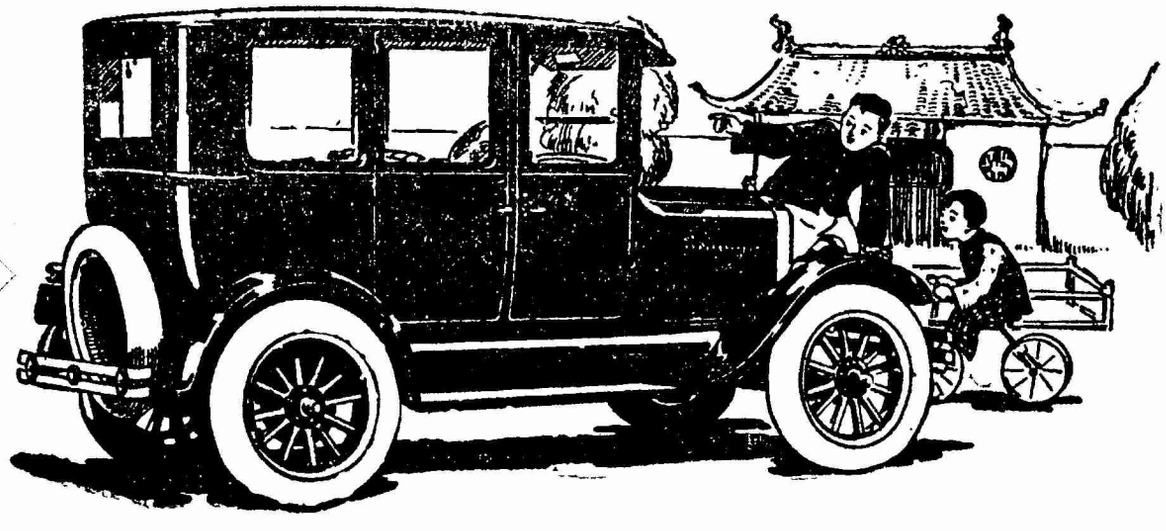
Federal Inc., U. S. A.

Authorized Ford Dealers

Corner Avenue Edward VII and Thibet Road
Phones C. 3804 and C. 8080

Ford Motor Company

Detroit, U. S. A.



39-009

from exploitation. Furthermore, China, like the Occident of some decades ago is suffering from the underpayment of factory labour, slums, sweatshops, and employment of women and children. All this has to be remedied. Improvement of social conditions by the help of legislation is, in fact, a feature characteristic of societies in a stage of growth which China is, as yet, far from having reached. I am willing to concede that there are plenty of people in China capable of promulgating laws governing conditions of labour, but the difference between promulgation and successful and general enforcement there is a very wide margin. For that reason I am inclined to feel that the first steps should be taken in the foreign controlled settlements.

Some attempt at reform was made last year in Shanghai when the Municipal Council proposed passing new bye-laws prohibiting child labour, but the apathy of ratepayers, with consequent lack of a quorum at the meeting, was responsible for the failure to get action on the bill. That there is a burning necessity for reform there is no doubt and is made all the more manifest by the startling revelations of the Child Labour Commission appointed by the Council to investigate this question. Space does not permit to deal very thoroughly with all that this Commission reported, but one or two examples might be cited to give the reader some idea of the appalling conditions that now prevail in these facturies.

The Report stated that 14½ per cent. of labour employed in the Municipal area is that of children under 12 years of age, nearly 80 per cent. of which is girl labour, and that roughly 57 per cent. of the total labour employed is female over the age of 12 years. Many of these children are not more than 6 or 7 years old. The hours of labour range from 12 to 14 hours per shift, and there were incidents where shifts as long as 15 and 16 hours were adopted. The case of a silk filature was cited where little children, not more than 7 years old, were working from 5:30 a.m. to 6 p.m. for the miserable sum of 7 cents. The hot water and steam in these facturies also affected these children's eyes, and without medical care the little mites are often forced to give up work or accept a smaller rate of pay. While the physique of the children is generally good, tuberculosis is particularly prevalent. The home life of these workers is terrible. Rents are high, and wages low, with the result these people are forced to live herded together, several families occupying one room. The sanitary conditions are terrible, and the health of these workers is affected accordingly.

The greatest difficulty is that these workers are comparatively content with their lot, and will consider themselves fortunate if they have constant employment while any attempt to improve their conditions will receive as much opposition from the workers as the factory owners. It is felt by the managements of most foreign factories before any satisfactory system of control of employment conditions can be attempted, the Chinese national factory regulations must be applied and enforced on Chinese factories outside of Muncipal areas. If this is accomplished, the introduction of similar legislation within the Municipal Settlement is a comparatively simple matter.

There is more than a modicium of truth in this argument, but still I am unconvinced that the foreign Powers should continue to sanction conditions of labour, within territory over which they hold jurisdiction, which would not be tolerated for one minute in any western country. It is the duty of the foreigners to see that these conditions are improved and the standard of living of the workers increased. As enlightened nations it is our duty to set an example which the Chinese may follow.

Shanghai Nov. 25, 1926.

Chinese Post Office Has Exciting Year

Fourteen out of the twenty-four postal districts in China were affected by the disturbed political situation last year, according to the annual report of the Post Office Department for 1925 which has just been issued. The number of Postal establishments looted was 344; mail couriers (carriers) were attacked on 166 occasions, resulting in the wounding of more than 60 and the killing of 14. There were 247 mail robberies, of which 117 took place in Kwangtung province. However, the Post Office Department was able to make considerable progress in the period, the number of pieces of mail handled being 565,007,763, an increase of 42,500,000 over the previous year. Parcels carried numbered 802,000 of a value of $11,549,411, while money orders issued exceeded the hundred million dollar mark. The number of places in China reached by the Post Office is 43,970, an increase of 1,452 over the previous year.

Reference is made to labor troubles which developed, especially at Shanghai and Canton, which has necessitated measures to ameliorate the conditions surrounding the employes of the service. The scale of payment for Assistants and Clerks is being revised.

Goats and Their Skins

BY GEO. W. MISSEMER

THE goat is more familiar to the general public in connection with comic allusions than as the source of supply of an important article of commerce, and probably few people outside of those directly connected with the goatskin trade, either as exporters from this country or as tanners in the United States, realize the prominent role which goatskins play in the commercial relations between China and the United States.

Goatskins usually begin to appear on the Chinese market about Thanksgiving season, but actual business as between the American importers or tanners and the exporters here usually holds off until after New Year. It is a very old established trade and America is by far the largest buyer of goatskins not only from China, but from other parts of the world. The Chinese dealers have a very shrewd conception of values, well knowing that, to use the expression of the head of one of the leading export houses in this line in China, it frequently becomes a "cutthroat business."

Among the points that the American importer or tanner will have in mind when he begins to place orders for his supply of goatskins abroad are the following: On the point of cheapness Indian skins usually win out, and America imports considerably more skins from India than from China, large as the Chinese supply is. As against this the Chinese skins are of a better texture, and the indications are that with the present low exchange the Chinese skins can be placed on the American market at practically the same price as the Indian skins, unless, as is frequently the case, the Chinese suppliers gauge their ideas of price upwards as the price of silver goes down.

At the present time of the year there is a gradual accumulation of goatskins in the various export centers of China, particularly Tientsin, and Shanghai, the native banks advancing money on the skins and carrying the holders for several months with a view to assisting the latter to study the market and hold out for the best possible price. Naturally the indications of demand in the United States, and to a less extent other countries, are carefully noted, as also are the sources of supply from other countries, particularly India, but as in the meantime storage and interest charges accumulate, it usually happens that during the months of January and February the Chinese have fairly stabilized their ideas of price, and thus the greater part of the transactions with the U. S. A. are closed by cable during the early months of the year.

Nearly all the goatskins from China are used for making glazed kid leather, as it is usually known in the trade, although the terms "Vici" or "Morocco" are just as well known to the general public, all three terms referring to the same product. Morocco was the original source of supply for goatskins in Western lands, hence the name. North Africa still continues as a source of supply, but in considerably less quantities than from India and China.

As frequently happens with other articles of commerce, although America is by far the greatest user of goatskins she supplies practically none herself. If the skins of the few goats kept in suburbs of the large cities of America (mostly by emigrants from Europe) are used at all, they make no impression whatever on the trade.

By far the greater part of the tanneries using goatskins in the United States are located on Delaware Bay. Wilmington, Delaware, is one of the most prominent centers, the kid leather industry vying with Dupont products in making that little city famous. In recent years, however, West Philadelphia has overshadowed Wilmington, and it is stated in the trade that one factory there produces more glazed kid leather than several of the largest tanneries in Wilmington combined.

The goatskin industry is, of course, greatly influenced by the vagaries of fickle Dame Fashion. Glazed kid is used both for mens and women's shoes, and it is the changes in the styles of the latter that frequently give a fillip or otherwise to the demand for goatskins, particularly those from China. For example, last winter there was an unusual demand for summer shoes, owing to the great exodus of people from the northern parts of the United States to Florida and other warmer climes. Then such a detail that whereas several years ago the ladies were wearing their boots well up to their knees, whereas at present they are placing upon their feet the tiniest of confections, makes a considerable difference not only in the quantities of skins used but in the fineness of the texture required.

One of the pioneers of the glazed kid industry in the United States was Robert H. Foerderer of Frankford, Penna., who operated with the assistance or cooperation of

(*Continued on page 12*)

Steadfast, unfailing quality—what else can account for popularity so swiftly won and so securely held?

Chesterfield

"Tibetans Who Talk, and Act Like American Indians"

(*From the New York Times*)

NATIVES of Tibet who talk, walk, act and dress like American Indians and are their blood brothers, though separated by half the distance around the world, were described in a statement by the Smithsonian Institution of the findings by Dr. Ales Hrdicka of Washington, who received recently the Huxley Memorial Medal of the Royal Anthropological Institute, the highest British honor for research in anthropology.

The Tibetan relatives of the North American Indians were examined by Dr. Hrdlicka several months ago in the course of a trip around the world in which he studied thousands of men in Asia, Africa, Java and elsewhere, to gain slight on the origin of the human species, their development into white, black, red and yellow types and innumerable subtypes and the great prehistoric migration which had carried them to different parts of the globe.

The Tibetans described by the anthropologist did not talk American Indian dialect, but they intoned their language in American Indian fashion. On previous investigations in Asia, Dr. Hrdlicka found natives of the American Indian type in Mongolia, fairly clenching the proof that the American Indians are immigrants from Asia, passing over from Northeast Asia to Alaska.

Investigations in India

Dr. Hrdlicka carried on extremely interesting investigations in India. He found the bulk of the present population consisting of three types—Semitic, Mediterranean and Hamitic or North African. Dr. Hrdlicka found nothing "Nordic" about the Aryan population of India, in spite of the fact that their language is a descendant of the common Indo-European mother tongue which was spoken by the forefathers of the Greeks, Romans, Celts, Teutons, Persians and the Sanscrit element of India. The place where this great mother language developed is in doubt. Some authorities put it in Central Europe, others in Russia, others in Asia. On this point the Smithsonian Institution statement says:

"The 'Aryans' show everywhere either the Semitic or Mediterranean type. Dr. Hrdlicka saw nothing that could be referred to the types of Central or Northern Europe. It would seem, therefore, that the Aryans came from Persia and Asia Minor rather than from or through what is now European Russia."

Tiny Blacks a Puzzle

The puzzle of the enormous distance separating the tiny blacks of the Philippines and Andaman Islands from their closest relatives, the pigmies of Central Africa, was studied by the anthropologist, according to the statement of the institution, which continues:

"At present one of the most interesting problems in anthropology is to explain the presence of the Negrito in the Philippines and Andamans. How did he get to his present home? His nearest relatives are apparently the pigmies of Central Africa, but a great unbridged space has until now separated the two. If he extended from Africa he must have left traces of his passing in Arabia and India. Such traces, so far at least as the Indian coast lands are concerned, Dr. Hrdlicka became satisfied, do exist. They occur in Parganas, northwest of Calcutta, in at least one area along the eastern coast, here and there among the Dravidians, and in the Malabar Hills. These discoveries bring the Negrito a long way further to the westward and so much nearer Africa, making his derivation from the continent so much the more probable.

"Passing through Ceylon, where he reports no definite trace as yet of geologically ancient man, Dr. Hrdlicka proceeded to Java, touching at Sumatra and the Straits Settlements. Of Sumatra, a country not yet perfectly known, he says that 'there still prevail in the island among the whites as well as the natives, beliefs in the existence of wild men. There are said to be two varieties. The Orang Pandak (orang—man, pandak—short) is said to live in the almost impenetrable mountain forests of the central and southern parts of the island. The natives describe him as black, short, long-haired and wild, but not insurmountably shy. The second form is the Orang Sedapak. He is said to live in the unhealthy lowlands of the southeastern part of Sumatra. He is described as having the body of a child of 12, with long red hair on head and body. He is very shy and runs but does not climb.'

"In the mountainous regions of the upper parts of the Malay Peninsula, according to information given to Dr. Hrdlicka, there still live thousands of negritoid people, and there are many old caves waiting to be explored.

His Visit to Java

"The visit to Java was made chiefly for the purpose of inspecting the site of the Pithecanthropus, but Dr. Hrdlicka also desired to satisfy himself as to any possible cultural traces of early man and as to the present population. When the actual site of the Pithecanthropus was reached by Dr. Hrdlicka, a whole gang of natives advised by the police were already waiting there, each bringing a little pile of fossils gathered from the muddy ledges of the river as they were exposed by the receding water. These fossils were eagerly examined and a good selection was made for the National Museum, but they included no remains of any primate."

In the eastern portion of Java, Dr. Hrdlicka found traces of the pre-Malay Hindu population which peopled the island in historic times. In the central part of Java, these people evidently reached a rather high degree of culture and left imposing ruins.

Full-blood and otherwise, full-colored Australians, but with tow hair, were among the phenomena observed in a boat journey along the western coast of Australia. Dr. Hrdlicka also attended impressive nocturnal ceremonies of the native Australians.

"The data obtained in Australia," writes Dr. Hrdlicka, "throws a very interesting and to some extent new light on the moot questions of both the Australian and Tasmanian aborigines. According to these observations, the Australian aborigines deserve truly to be classed as one of the more fundamental and older races of mankind, and yet it is a race which shows close connections with our own ancestral stock—not with the negroes or Melanesians (except through admixture), but with the old white people of postglacial times.

"As to the Tasmanians, the indications are that they were but a branch of the Australians, modified perhaps a little in their own country. Both peoples have lived, and the Australians of the northwest live largely to this day, in a paleolithic stage of stone culture. They are still making unpolished stone tools, which in instances resemble the Mousterian implements or later European paleolithic types. But they are also capable of a much higher class of work. Today, about Derby, bottles are used in making beautifully worked spear heads."

Studies Zulu Tribes

Proceeding to Durban, Natal, in South Africa, Dr. Hrdlicka studied many individuals of the Zulu tribe and reached the conclusion that they were undoubtedly true negroes, though some individuals showed a trace of the Arab type due to old admixtures.

The two main objects of the visit to South Africa were the investigation on the spot of the important find of the Rhodesian skull, and of the recent discovery of the skull of a fossil anthropoid ape at Taungs, which had been reported as being possibly a direct link in the line of man's ascent. The Rhodesian skull, found in 1921 at Broken Hill, shows a man so primitive in many of its features that nothing like it has been seen before. Dr. Hrdlicka was able to clear up some of the moot points in connection with this important find, and he collected for study bones of animals from the cave which gave the Rhodesian skull, as well as two additional mineralized human bones, belonging to two individuals, all of which were deposited with the earlier relics in the British Museum.

The fossil skull of an anthropoid ape found at Taungs in 1924, belongs, according to Dr. Hrdlicka, to a species of anthropoid ape of about the size of a chimpanzee and evidently related to this form, though there are certain differences, especially in the brain. These differences suggested that this ape may possibly have been somewhat

(*Continued on page 18*)

(*Continued from page 10*)

Abe Stein, one of the best known figures in the development of the goatskin industry. Mr. Stein's name appears as the author of a very informative book entitled "Goatskins", but there is considerable difference of opinion in the trade as to the correctness of some of the "dope" on goatskins contained in same. Unless the writer is incorrectly informed, Mr. Stein evidently depended too much on second hand information, relying on brokers for same; that is, asregards goatskins. On the other hand the information as regards packing house skins where the information was available directly in the United States is taken as standard in U. S. leather trade circles.

China sends about seven million goatskins to the U. S. A. annually. Somewhat less than half this quantity is sent out of Shanghai although Hankow and Nanking are more important as ports of original export. These skins are collected from Szechuen, Hupeh and the territory bordering on the Yangtsze.

Head Office Building
Owned by the Society

"In one Sense No Man Need Ever Die."

It is surprisingly true nowadays that "in one sense no man need ever die." His earnings could be perpetuated, thus bringing happiness to his beloved ones—even to great grandchildren whom he has never known.

The only method of perpetuating the earning capacity is to take out a life insurance policy.

Write us and let one of our representatives explain to you and help your work to live forever.

華股組織。 專家管理

The China United Assurance Society, Ltd.

(A purely Chinese Company under the management of Insurance Expert.)

Head Office: Shanghai

總公司設上海

分公司各大埠

華安合羣保壽有限公司

T. Y. C.

39-013

International Banking Corporation.

Capital, Surplus and Undivided Profits U. S. $14,000,000.00

Owned by the National City Bank of New York.

Head Office:
60 WALL STREET, NEW YORK

London Office:
36 BISHOPSGATE, E. C.

BRANCHES:

BARCELONA	MADRID
BATAVIA	MANILA
BOMBAY	OSAKA
CALCUTTA	PEKING
CANTON	RANGOON
CEBU	SAN FRANCISCO
DAIREN	SHANGHAI
HANKOW	SINGAPORE
HARBIN	TIENTSIN
HONGKONG	TOKIO
KOBE	YOKOHAMA

Commercial and Travellers' Letters of Credit, Bills of Exchange and Cable Transfers bought and sold. Current accounts and Savings Bank accounts opened and Fixed Deposit in local and foreign currencies taken at rates that may be ascertained on application to the Bank.

We are also able to offer our Customers the services of the Branches of the National City Bank of New York in the principal countries of Europe, South America, and in the West Indies.

D. B. Clark, *Manager.*

1A Kiukiang Road, Shanghai.

Declared Exports to U.S. from Whole China To October

The following table, compiled at the American Consulate General, at Shanghai, China, from the declared export returns of the several American Consular Offices in China, obtained through the courtesy of the officers in charge thereof, shows the declared exports from the WHOLE OF CHINA to the United States for the month of October 1926 and the first ten months of 1926, and gives a recapitulation for the first ten months of 1925 and 1926.

VALUE IN UNITED STATES CURRENCY

Group 0—Animals and Animal Products, except wool and hair (class 101 to 9939)

Articles	Unit of Quantity	Oct. 1926 Quantities	Oct. 1926 Value	1st 10 months '26. Quantities	1st 10 months '26. Value
Meats					
Eggs of Poultry					
In the shell	doz.	.....	.....	.....	.....
Dried whole	lbs.	45,600	19,639	177,924	80,065
Frozen „	„	268,800	41,018	790,490	119,336
Egg Products, froz.	„	50,028	5,003	706,532	205,748
Albumen, dry	„	266,965	161,626	3,162,686	2,149,030
„ frozen	„	.....	.....	320,620	38,527
Yolk, dry	„	357,950	134,224	2,950,740	973,613
„ frozen	„	.....	.....	608,327	100,107
Liquid egg	„	.....	.....	.....	.....
Hides and Skins, Raw (except Furs) All Kinds					
Buffalo hides	pcs.	300		17,762	
	lbs.	13,910	2,643	762,746	138,549
Calf skins	pcs.	1,112		4,062	
	lbs.	425	1,363	1,715	2,870
Cattle hides	pcs.	.....		.....	
	lbs.	.....	.....	.....	.....
Cow hides	pcs.	.....		3,381	
	lbs.	.....	.....	46,288	12,337
Deer and doe skins	pcs.	.....		67,777	
	lbs.	.....	.....	66,391	36,940
Goat and kid skins	pcs.	18,532		7,304,347	
	lbs.	.....	17,153	6,073,048	5,921,320
Horse, colt and ass hides	pcs.	3,318		16,464	
	lbs.	3,520	4,602	21,452	21,298
Sheep and lamb skins	pcs.	39,631		181,806	
	lbs.	.....	154,429	.....	849,663
Furs, Dressed and Undressed					
Dog	pcs.	63,546	137,194	438,216	1,042,309
Ermine	„	.....	.....	31,307	60,043
Fox, all kinds	„	12,276	154,598	73,110	681,207
Hare and rabbit	„	16,500	2,018	1,192,678	265,420
Kolinsky	„	.....	.....	404,469	1,040,491
Marmot	„	95,505	142,825	1,288,183	1,954,227
Lynx	„	60	817	6,384	22,535
Marten	„	.....	.....	30,829	51,050
Raccoon	„	2,226	7,744	58,873	96,502
Sable	„	234	9,163	4,700	206,575
Squirrel	„	170,600	230,195	2,832,484	2,793,195
Weasel	„	3,122	4,032	1,468,426	2,312,138
Wolf	„	4,365	36,705	14,014	186,570
All others	„	500,047	638,868	2,733,452	3,739,208
Furs, Dressed—Others					
Moufflon (Goat & kid)	„	30,136	60,606	138,638	285,266
Manufactures of Furs and Fur Skins					
Dog & goatskin mats	pcs.	35,243	84,654	106,471	192,616
All other mfrs.	„	66,116	443,673	.....	2,048,407
Miscellaneous Animal Products:					
Feathers & mfrs. of	lbs.	140,875	53,619	1,677,425	655,510
Intestines,	„	138,303	122,587	.....	2,188,837
Total			$2,690,998		$30,471,509

Group 1—Vegetable Food Products, Oil Seeds, Expressed Oils and Beverages (class 10311 to 17801)

Grains and Preparations					
Buckwheat	lbs.	.....	.....	.....	.....
Kaoliang	„	.....	.....	100,000	2,147
Vegetable Food Products, N.E.S.					
Beans	lbs.	.....	.....	309,565	9,347
Fodders and Feeds, N.E.S.					
Beancake and meal	lbs.	4,447,894	88,258	31,355,413	626,874
Fruits and Nuts:					
Ginger, preserved	lbs.	.....	.....	113,662	20,415
Peanuts, shelled	„	42,500	2,251	44,379,980	1,684,377
Peanuts, unshelled	„	.....	.....	3,189,410	125,710
Walnuts, shelled	„	279,300	41,022	2,311,995	454,876
„ unshelled	„	5,329,100	396,245	5,807,500	429,250
Oil Seeds and Vegetable Oils					
Apricot & peach kernels	.....	.....	.....	.....	.....

Flaxseed, linseed	lbs.	80,000	1,869	80,000	1,869
Hempseed	„	50,031	1,228	2,867,799	93,620
Rapeseed	„	.....	.....	.....	.....
Sesame seed	„	314,533	16,012	1,771,348	96,752
Oil seeds, n.o.l.	„	994,070	36,908	.....	134,956
Bean oil	„	1,504,573	99,801	23,089,277	1,750,454
Peanut oil	„	.....	.....	14,530,971	1,374,617
Wood oil (Tung nuts)	„	8,533,428	1,075,600	36,498,449	7,160,529
All other oils	„	5,635	1,247	.....	170,792
Vegetable tallow	„	136,297	11,185	3,522,621	322,157
Perilla oil	„	.....	.....	4,447,420	423,299
Cocoa, Coffee, Tea & Spices					
Cassia	lbs.	179,067	6,955	1,701,996	82,616
Tea	„	1,535,678	329,116	8,467,893	2,339,754
Total			$2,087,697		$17,394,405

Group 2—Other Vegetable Products, except fibres and wood (class 20011 to 29616)

Gums, Resins & Balsams, N.E.S.					
Camphor, crude	lbs.	.....	.....	111,408	54,370
Crude Drugs & Essential Oils, N.E.S.					
Rhubarb	lbs.	26,653	5,931	120,022	29,953
Camphor oil	„	.....	.....	10,490	990
Dyeing & Tanning Materials of Vegetable Origin					
Quebracho extract	lbs.	.....	.....	.....	.....
Gallnuts	„	186,760	22,554	2,392,939	270,438
Seeds, Except Oil Seeds					
Millet	lbs.	.....	.....	.....	.....
All others	„	.....	.....	.....	1,323
Tobacco					
Tobacco leaf	lbs.	6,469	1,891	18,136	5,960
Miscellaneous Vegetable Products					
Fans, palm leaf	lbs.	.....	4,579	.....	30,425
Total			$34,955		$393,459

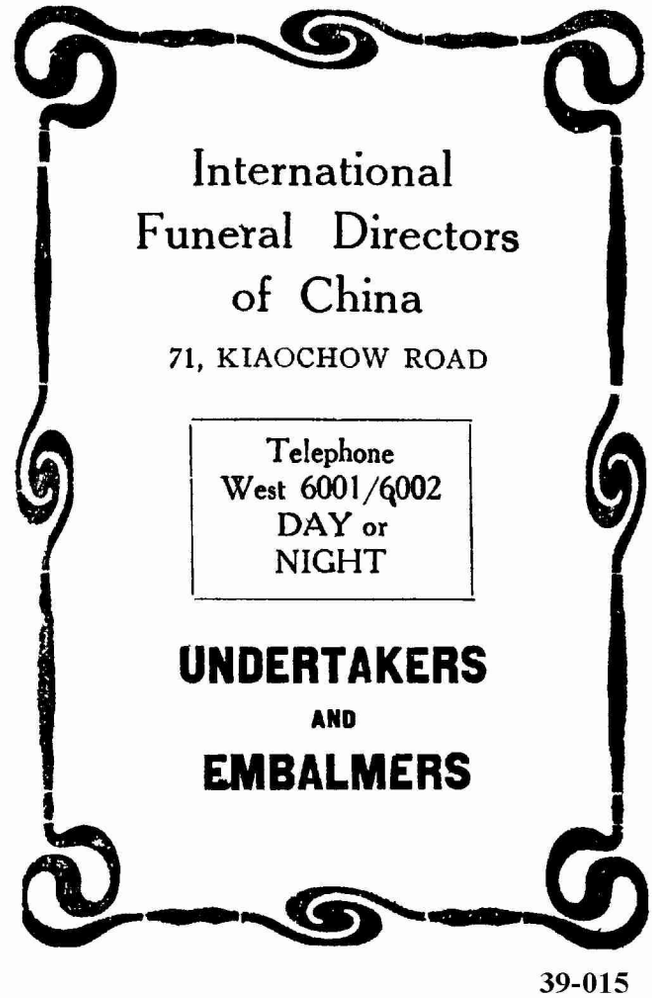
Group 3—Textiles (class 30011 to 39593)

Cotton					
Cotton, raw	lbs.	1,547,524	265,538	3,701,199	698,478
„ waste	„	163,030	8,778	472,574	36,648
„ lace & embroideries	value	.....	271,729	.....	2,110,799
„ misc. mfrs.	„	.....	4,041	.....	33,838
Other Vegetable Fibres, N.E.S.					
Fibres, vegetable & textile n. o. l.	value	.....	30,955	.....	327,430
Grass cloth & mfrs.	„	.....	9,515	.....	102,681
Hats, straw	doz.	.....	.....	4,240	8,810
„ rush	„	26,625	6,466	90,561	38,748
„ fibre	„	250	2,143	2,057	30,207
Mattings & rugs	Sq. yds.	118,570	9,750	894,678	125,295
Strawbraid	yds.	107,685	194,756	491,924	995,825
Wool and Hair					
Carpets, wool	Sq. yds.	53,409	378,100	522,347	4,152,300
Wool, sheep's	lbs.	4,693,896	1,130,581	16,266,723	3,941,808
Hair, goat	„	41,031	8,912	173,293	34.387
„ camel	„	36,781	18,379	495,533	245,689
„ horse	„	87,143	54,241	1,017,950	679,368
„ human, raw, Asiatic	„	80,890	38,142	1,621,964	699,465
„ nets, human	„	1,578	11,910	89,013	740,790
„ all other	„	42,159	15,214	786,233	301,798
Silk					
Silk, raw	lbs.	1,025,373	625,984	6,731,645	32,289,298
„ wild	„	23,886	64,029	1,347,826	3,463,639
„ waste	„	737,443	523,820	4,494,469	3,311,355
„ piece goods	„	7,904	30,462	72,305	365,752
„ embroideries	value	.....	19,249	.....	146,100
„ miscellaneous	„	.....	6,380	.....	67,618
„ pongees	lbs.	35,503	100,144	258,966	807,891
„ cocoons, pierced	„	.....	.....	24,010	31,450
Total			$7,829,218		$55,787,468

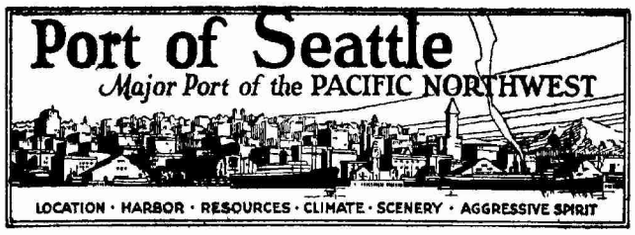
(Group 4—Wood and Paper—class 40181—48724)

Manufactures of Wood					
Bamboo mfrs.	value	.....	6,968	.....	170,334
Rattan, reed and woodware	„	.....	6,503	.....	116,142
Blackwoodware	„	.....	4,178	.....	51,710
Lacquerware	„	.....	1,321	.....	19,352
Paper, Except Printed Matter					
Paper	lbs.	.....	4,864	.....	28,177
Umbrellas	No.	.....	.....	167,041	39,639
Lanterns	lbs.	.....	.....	.....	.....
Books and Other Printed Matter					
Books	Value	.....	2,080	.....	18,561
Total			$25,914		$443,915

EVERSHARP
Companion to
WAHL PEN
WHY have more than twenty million people all over the world bought Eversharps and Wahl Pens instead of just pencils and pens? To be sure they are convenient, durable and elegant. But more than that, the public has come to realize that Eversharp and Wahl Pen embody mechanical perfections which make them thoroughly reliable. The names, Eversharp and Wahl Pen, are engraved on each, for your protection.
Made in styles and at prices to suit all tastes and purses.
For sale at leading shops everywhere.
Wholesale Distributors:
Standard Products Co.
14 Canton Road, Shanghai, China
THE WAHL COMPANY, NEW YORK, N. Y., U. S. A.



39-015



THE PORT OF SEATTLE

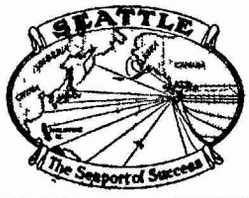
Shortest and Most Direct Route to the United States

The Nearest Pacific Port to the Oriental Shipper

That this port has led other Pacific Coast ports foreign commerce values for many years is due in a large measure to the fact that Seattle is situated on the shortest trade route to the Far East. By a study of the world's globe, it will be found that the Seattle route follows the great circle close to the Aleutian Islands, which is the shortest route across the Pacific by several hundred miles. During the war, when freight and charter rates were high, Seattle jumped very quickly in the lead of all other Pacific Coast ports.

WHERE RAIL AND WATER MEET

We Serve Oriental, European and Intercoastal Trade



ADDRESS

Port of Seattle

SEATTLE, WASHINGTON

Write Traffic Department for Rates, Space and Sailings

AMERICA

via Seattle
and the
MILWAUKEE RAILWAY

The "Olympian"
and
The "Columbian"

Famous transcontinental trains from Seattle-Tacoma to Chicago, without change, operated by Electric Power for 649 miles over four mountain ranges.

The world's longest electrified railroad.

Ask for this route when you book passage.

Cable address "Milwaukee"

J. F. Bahl
Gen'l Agent Pass'r Dept.
Seattle

F. O. Finn
General Agent
Victoria

C. H. Miles
Gen'l Agent Pass'r Dept.
San Francisco

Chicago Milwaukee & St. Paul Railway

1500 TO PUGET SOUND - ELECTRIFIED

Group 5—Non-Metallic Minerals (class 50011 to 59590)					
Coal, Petroleum and Asphalt					
Coal	tons	.....	.....	.....	.....
Clay and Clay Products					
Porcelain, Chinaware, Pottery, etc.	value	.....	8,940	.....	96,667
Other Non-Metallic Minerals					
Jadeware	value	.....	5,458	.....	196,261
Precious stones	„	.....	253	.....	7,635
Total			$14,651		$300,363
Group 6—Ores, Metals and Manufactures, Except Machinery and Vehicles (class 60011 to 69999)					
Iron and Steel					
Iron ore	lbs	.....	.....	.....	.....
Pig Iron	„	.....	.....	.....	.....
Ferro-Alloying Metals					
Tungsten ore	lbs.	.....	.....	465,853	78,413
Aluminium, Antimony and Cobalt					
Antimony, crude	lbs.	376,000	23,240	.....	297,015
„ regulus	„	2,352,000	264,453	.....	2,364,725
Copper, Brass and Bronze					
Brass and mfrs. of	lbs.	.....	24,358	.....	304,990
Bronze „ „ „ „		.....	.....	.....	779
Copper „ „ „ „		.....	338	.....	1,400
Precious Metals, Jewelry and Plated Ware					
Gold bars	Ounces	9,901	200,222	9,901	200,222
Gold coins	value	.....	.....	.....	.....
Jewelry	„	.....	149	.....	3,968
Total			$512,760		$3,251,512
Group 7—Machinery and Vehicles (class 70011 to 79361)			NIL		NIL
Group 8—Chemicals (class 80021 to 87519)					
Medicinal and Pharmaceutical Preparations					
Blister flies	lbs.	.....	.....	.....	.....
Other Chemicals					
Acid, tannic	lbs.	.....	.....	.....	.....
Other chemicals and drugs	„	17,615	4,910	.....	10,595
Musk	„	34	4,560	132	23,891
Antimony, oxide	„	112,000	12,320	.....	229,811
Explosives, Firecrackers and Ammunition					
Firecrackers	lbs.	24,788	4,060	1,928,607	399,222
Total			$25,850		$663,519
Group 9—Miscellaneous (class 90101 to 99999)					
Art Works					
Art, works of	value	.....	48,993	.....	297,497
Miscellaneous Articles					
Bristles	lbs.	527,008	553,679	.....	4,179,044
Household & personal effects	value	.....	1,967	.....	60,065
Mah Jongg	„	.....	.....	.....	.....
Unenumerated articles	„	.....	299,916	.....	3,793,987
Totals			$904,555		$8,330,593
GRAND TOTAL*			$14,126,598		$116,946,943

RECAPITULATION	*1925*	*1926* (First ten months)
Group 0—Animals and Animal Products, except Wool and Hair	$39,651,986	$30,471,509
Group 1—Vegetable Food Products, Oil Seeds, Expressed Oils and Beverages	19,826,906	17,304,405
Group 2—Other Vegetable Products, except Fibres and Wood	501,457	393,459
Group 3—Textiles	68,466,899	55,787,468
Group 4—Wood and Paper	354,769	443,915
Group 5—Non-Metallic Minerals	93,065	300,563
Group 6—Ores, Metals and Manufactures, except Machinery and Vehicles	2,166,313	3,251,512
Group 7—Machinery and Vehicles	NIL	NIL
Group 8—Chemicals	446,411	663,519
Group 9—Miscellaneous	6,660,645	8,330,593
	$138,168,451	$116,946,943

Admiral Oriental Line

via Kobe, Yokohama and Victoria

Assure yourself and family of an enjoyable trip by reserving passage on one of these liners

Next Sailings from Shanghai

President Jackson
Dec. 10

President McKinley
Dec. 22

President Jefferson
Jan. 3

President Grant
Jan. 15

President Madison
Jan. 27

——and every 12 days thereafter

Through Rates to Europe via America

Railroad Tickets to all points in the United States

Sailings to Hongkong and Manila every 12 days

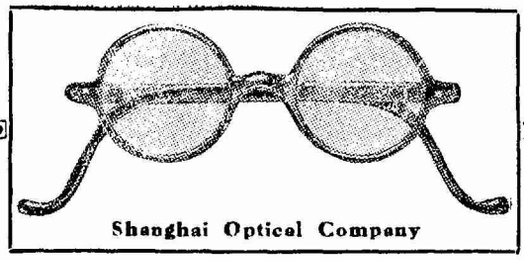
For Passenger and Freight Bookings, apply to

ADMIRAL ORIENTAL LINE

No. 3, Canton Road

Telephones Central 6371-2-3-4-5

39-017



S-O-C

An Invitation

You are cordially invited to visit our store at any time you may require the service of competent and a qualified optician and superior optical works. You will be received without inportunity to purchase, and we will be glad to give you, if desired, the benefit of our expert advice.

Dr. S. C. Kiang, M. D, Oculist.

Special rates to Missionaries and Students

Shanghai Optical Company

Corner of Lloyd & Nanking Roads,
Telephone Central 4503

所易交布紗商華海上

Chinese Cotton Goods Exchange, Limited

No. 50 Avenue Edward VII

Authorized Capital, ... $3,000,000
Paid Up Capital, ... $1,500,000

Registered at the Government of China, No. 20. Business transactions dealing with Raw Cotton, Cotton Yarn and Cotton Cloth, in Spot and Forward.

Chief Managing Director, H.Y. Moh, B.S., M.S.
(General Manager of the Yu Fong Cotton Mill,)
Assistant General Managing Director, Y.A. Woo.
Managing Directors: Y.D. Chai, Woo Che Zan and Chang Yue Cheng and Woo Fung Shu

—Directors—

T.K. Yung, General Manager of the Shen Hsin Cotton S. and W. Co.
Woo Ling Shu, General Manager of the Tung Yih Cotton Mill.
P.W. Zee, General Manager of the Dah Foong Cotton Mill.
Shi Van Tai, General Manager of the Tsing Tai Cotton Mill.
Seu Tsing Jan, General Manager of the Poh Yei Cotton Mill.
Kou Van Yoon, Manager of the E. Zung Fong Cotton Yarn House.
Lou Cho Bin, Manager of the Mo Chang Cotton Yarn House.
Cheng Song Ding, Manager of the Zung Shen Cotton Yarn House.
Kuan Chun Mow, Manager of the O'Tung Cotton Yarn House.

—Auditors—

T.M. Chang, General Secretary of the Chinese Cotton Mill Owners Association; Pang Ching Pao, General Compradore of the JardineMatheson and Co., Ltd; Tung Zoong Sun, Chinese Manager of the Zoong Sih Cotton Mill.

Who's Who in China

Dr. Hou-ki Hu, P. H.
胡鴻基

Dr. Hou-ki Hu, P. H., Deputy Commissioner and head of the Department of Health of Shanghai and Woosung, was born in 1894 in the town of Wusih, Kiangsu and received his early education in the Wusih public schools and at Nanyang College in Shanghai. In 1916 he was graduated from the National Medical College in Peking with the degree of M. D. He then went to France where he served during the war with the B. E. F. from 1917 to 1919. Upon his return to China he was appointed associate professor in bacteriology at the National Medical College and also served as Physician to the Government Isolation Hospital in Peking, from 1919 to 1922. In 1922 Dr. Hu received a fellowship from the Rockefeller Foundation and was awarded the degree of C. P. H. In 1924 he received the degree of Dr. P. H. from the Johns Hopkins University Medical School at Baltimore. He then spent a year with the Public Health Service of the State of Tennessee and also spent considerable time investigating and studying city hospitals in Detroit, Memphis, Cleveland Knoxville, New York City, St. Louis and State Health Departments in Maryland, New York and Massachusetts and all county health departments in the State of Tennessee. While in America, Dr. Hu was elected to charter membership in the Delta Omega Fraternity of Johns Hopkins. Upon his return to China in 1924, Dr. Hu was made chief medical officer at the Putsi Hospital, Tsingtao and from 1925 to 1926 he was chief of the General Sanitation and Vital Statistics, Public Health Demonstration Station for Peking Metropolitan Police Department. In the fall of 1926, Dr. Hu was transferred to Shanghai for the purpose of organizing a public health department for the Port of Shanghai and Woosung and holds the position of Deputy Commissioner of Health. He is a member of the China Medical Society. Dr. Hu's present address is Moh-chia-lung, Nantao, Shanghai.

(*Continued from page 12*)

superior to the chimpanzee and nearer to the human. But it is not necessarily a form that stood in the direct line of the human phylum.

South Africa is a rich field for anthropological research, according to Dr. Hrdlicka who continued:

"There is the disappearing old native population of Bushmen, Strandloopers and Hottentots, the newer negro population which amounts already to over 7,000,000 and is steadily increasing.

News from South China

The Executive Commission of the Canton Government forcibly took over the management of the Canton Water Works November 23, notwithstanding vigorous protest from the shareholders who, however, will eventually be compensated. The reason for the Municipality assuming full control of the city's water plant is that it has failed to provide efficient service to the public, a charge, which the company's authorities have denied. The shareholders have contended that they have paid for the franchise which must be regarded as a contract between the Corporation and Government and that the Municipality has acted arbitrarily in this matter.

The taking over of public utility service from private control in Canton is not by any means a new policy, however, as it was put into practice several years ago, when the late Dr. Sun Yatsen took over, even without compensation, the Kwangtung Section of the Canton-Hankow and the Canton-Samshui Railroads and ordered the confiscation of all public temples in order to sell them to realize funds for the support of mercenary troops imported from Yunnan and Kwangsi.

The Special Commission's recent advices to the Kuomintang in Canton, including the immediate transfer of the party headquarters to Wuchang and the suggestion of having the China Merchants Steam Navigation Company taken under Kuomintang control so as to replace all British officers on board, will not be accepted without further careful consideration, according to information from inner circles of the Communists elements in the Southern Capital. It is understood that the stand of Generals Liu Tso-lung of Hupeh and General Tang Seng-chi of Hunan on the "Red" side may be only temporary and unsteady and that so far the Kuomintang have not yet gained full control of Yangtze waters.

For the present the China Merchants steamers are not calling at Canton, as some of their vessels and crew have been detained under charges that the boats are being used to transport northern troops. The Kuomintang have yet made no statement on their future intention.

The Kuomintang Municipal authorities in Swatow are asking permission from Canton to take over the water and light plants of that port and to issue a municipal loan of $500,000 for that purpose. Another scheme proposed to raise $500,000 is to impose an emigration and immigration tax, making every Chinese departing or arriving through the port to pay a tax of two dollars.

The negotiation now in progress between Kuomintang agents in Tsengshin and the bandits and pirates dominating that portion of the water-way along the East River is going on smoothly, and it is hoped that the outlaws there will much reduce the tribute to be paid by every fire-wood junk passing their sphere of influence from the upper river to Canton City. Lately bandits controlled by Yuan Hah Kau and other chiefs at Tsengshin charged as high as $40 tribute for every passing junk, and this has caused firewood to be sold at Canton at $2.20 to $2.40 a picul.

Workmen connected with the rice trade in Canton are threatening reprisal on several large rice importers and mill owners who have refused to come to terms with the labour unions. The latest threat of the unions is that some of the large rice firms and godowns will be blockaded so as to make it impossible for the "capitalists" to do any more business. The hardest questions to settle appears to be that of the "fallen" or grounded rice, rice which has been fallen or dropped on the floor while being milled or handled, and that of the "off days". The workmen insist that rice gathered up from the floor should go to them, while the proprietors argue that if such should be the rule, every workman will be careless or malicious enough to drop a whole bag on the floor, as by so doing the labour union interested will get the full benefit of a member's fault, while his employer suffers. The workmen are asking for double wages on holidays and regular "off days", one day a week.

A mandate from the Printers Union at Heungshan requires every member of that union to become a Kuomintang, and failure to worship the late Dr. Sun Yat-sen's portrait on entering the Union's headquarters will subject an offender to a fine.

Overseas Chinese now residing in Canton have organized to support the Northern Expedition by supplying the Army with more aeroplanes, and efforts will be made among Chinese in the Straits and America to subscribe to a fund for this purpose. The first non-accident fly from Hankow to Canton with stop-over at Hengchow, Hunan, was made on November 22-23, when Mr. Tang Yin-tet and a Soviet adviser were passengers on a war-plane of the Southern Army.

A report has reached Canton from Nanchang that every preparation is being made to receive the visiting Kuomintang Commission now on its way to Kiangsi. The Commission includes M. Borodin, Soviet High Commissioner and Kuomintang Chief Adviser; Madame Sun Yat-sen, a member

Kiangnan Dock & Engineering Works

Engineers, Boilermakers and Shipbuilders

SHANGHAI

Telephone: C. 1676 & 1678

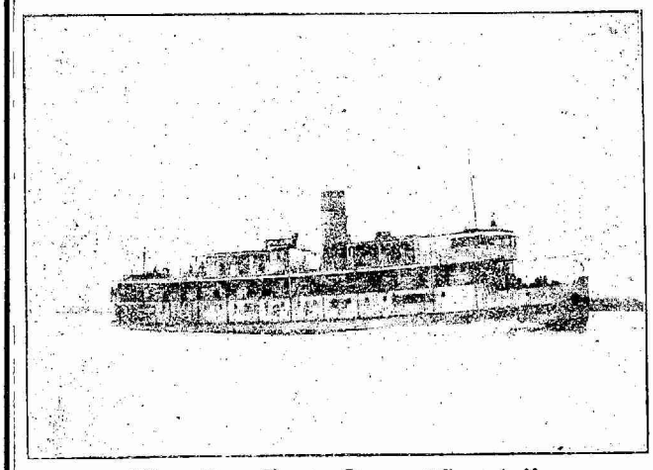
Cable Address: "Sinodock," Shanghai

Codes Used: A.B.C. 5th Edition, Bentley's, Lieber's, Standard, The Engineering 2nd Edition.

Two Dry Docks—Dimensions are

Name	Length on Blocks	Breadth		Depth on Sill
		Top	Bot.	
No. 1 Dock.....	545-ft.	70-ft.	62-ft.	20-ft.
No. 2 Dock.....	502- „	70- „	60- „	23- „

Sheerlegs to lift 75 tons.



Winter Upper Yangtse Steamer "Yung An"

On Trials—Speed 14.3 knots loaded.

153-ft. by 29-ft. by 8-ft. 6-ins. Draft 6-ft. 6-ins.

39-019

The Chinese American Bank of Commerce

Capital Authorized $10,000,000.00
Capital Paid up..... 7,500,000.00
Surplus & Reserves 1,741,000.00

HEAD OFFICE: PEKING

BRANCHES:

Peking	Shanghai	Tsinan
Harbin	Hankow	Tientsin

Correspondents throughout the World

YOUR BANKING BUSINESS SOLICITED

General Banking Business Transacted, Drafts Issued and Telegraphic Transfers Effected, Foreign Exchange Bought and Sold, Commercial and Circular Letters of Credit Issued, Interest Allowed on Fixed Deposits, Cureent and Savings Accounts.

Through our Connections with Banks in America and Europe and our Affiliations in China, We Are Well Equipped to Serve Our Clients in Their Domestic and Foreign Trade.

The Chinese American Bank of Commerce

11 Nanking Road

Telephone C. 8641, 8642, 8643

Telegraphic Address: "SinamBank, Shanghai
Codes Used: Bentley's, Peterson's & Peterson's 2nd. Ed.

FOOT EASE

PURE SILK HOSIERY

"COPIED BY ALL - EQUALED BY NONE"

Manufactured by

Foot Ease Hosiery Mill

2612 East Yuhang Road, Shanghai

of the Kuomintang Central Executive Committee; Mr. Eugene Chen, acting Kuomintang Minister of Foreign Affairs; Mr. T. V. Soong, Kuomintang Minister of Finance; Mr. George Hsu Chien, Kuomintang Minister of Justice; and Mr. Sun Fo, Kuomintang Minister of Communications.

The Kuomintang Ministry of Finance in Canton has advised the five leading commercial guilds in Canton that their subscription of $1,000,000 to the war bonds has not yet been fully paid and that they are expected to do so without further delay.

During the first three days for the granting of a dole to Hongkong Chinese strikers who are now still unemployed in Canton, some 4,612 received $10 each. This distribution commenced November 20th, and funds for doing so have come from the proceeds of the surtax on Customs, an issue still under discussion by Treaty Powers concerned.

A local Chinese steamer, *Wai Hoi*, plying Kongmoon and Yeungkong, the latter part of the week ending November 20th was attacked by pirates who killed and wounded part of the crew, aside from the usual looting of cargo and the capture of passengers of ransom. Among the victims were seven sisters and a priest of the American Maryknoll Mission, whom the pirates did not hold for ransom but who were rescued by the U. S. S. *Pampanga*.

Dr. C. T. Wang, a well-known figure in Chinese politics, after a visit to Canton and Hongkong, departed for Manila on the S. S. *Mishima Maru*, where he expects to spend a fortnight. While in Hongkong he was entertained by the South China Athletic Association in his capacity as president of the Amateur Athletic Federation of China.

Singapore Chinese do not appear to be very enthusiastic in supporting the Kuomintang movement, it is said. Since the commencement of the Northern Expedition some four months ago, only $4,000 has been received by the party from its comrades in that port. The comrades in Singapore have advised their leaders in Canton that some $3,000 of this sum is for the support of the Strike Committee enforcing the anti-British boycott.

R. F. C. Hedgeland, formerly Commissioner of Customs at Swatow, has been appointed Commissioner at Canton, to relieve Colonel Hailey-Bell, Commissioner at Kowloon acting for Canton.

Twenty Chinese passengers of the S. S, *Sunning*, recently pirated off the coast between Swatow and Hongkong, are being chargedbe fore the Hongkong Magistracy. The *Sunning*, is a Hongkong-Shanghai coaster which left Shanghai for Hongkong on November 11th and was in the hands of pirates for nearly a day before her officers regained control on the 16th when near Chilang Point. The pirates set fire on the vessel. In the conflicts, at least six passengers and members of the crew were killed or captured by pirates some of whom succeeded in escaping, while some 11 alleged pirates were killed and a score captured. The trial will be held some time in December. The Hongkong Chinese General Chamber or Commerce has started a fund for the benefit of the officers of the S. S. *Sunning*, whose brave defense of the vessel against piracy on board the ship from Shanghai to Hongkong, November 11th-18th, is being much appreciated by the Chinese merchants of the Colony.

Passengers through Hongkong last week included the University Ship *Ryndam* fron America but also H. R. H. Crown Prince and Princess of Sweden. The royal couple and suit were entertained at dinner by the Governor of Hongkong while the S. S. *Katori Maru* was in port.

General Bramwell Booth, son of the founder and now the head of the Salvation Army throughout the world, was a visitor to Hongkong, November 23-24. At a public meeting where he was extended a hearty welcome at the City Hall, General Booth announced that he hope to have Salvation Army work started in this Colony also.

Canton, November 25, 1926.

A special conference of the National Anti-Opium Association of China will be held on December 9, from 2 to 6:30 o'clock in the Missions Building, Shanghai for the purpose of discussing the narcotics situation in China. The discussion will be led by Dr. Wu Lien-teh of the Manchurian Plague Prevention Service and there will be talks by Dr. T. K. M. Siao, Dr. Iva M. Miller, Dr. Kiang Shan-fen, Dr. J. P. Maxwell, Dr. Hu Hung-chi and K. T. Chung.

The British Chamber of Commerce of Shanghai has sent a letter to the "Three Provinces Association" of Shanghai denying that British interests in China have advanced a loan amounting to £5,000,000 to the Fengtien Party. A rumor of a loan of this kind was circulated in Shanghai several days ago through one of the Japanese press services. The "Three Provinces Association" is composed of representatives of Anhwei, Kiangsu, and Chekiang provinces and was formed for the purpose of agitating against the sending of Fengtien troops into Kiangsu. Dr. Tsai Yun-pei in chairman of the organization.

Men and Events

Jabin Hsu has returned to Shanghai from a business trip to Tientsin.

The National Committee of the Y.M.C.A. has issued an appeal for the sum of $24,000 to cover the expenses of the foreign staff for the current year.

P. A. Tyson of the Tobacco Products Corporation, Shanghai departed last week for America where he will be attached to the home office of the company.

E. C. Thursby-Pelham, vice-president of the Denver Rock Drill Manufacturing Company, accompanied by Mrs. Thursby-Pelham, is visiting in Shanghai.

A reception was held on Monday, Nov. 29 at the International Institute, Shanghai, in honor of the 69th birthday of Dr. Gilbert Reid, director of the Institute.

Mr. Iwanaga, managing director of the *Nippon Shimbun Rengo*, leading press service in Japan, and formerly manager of *Kokusai* arrived in Shanghai last week on a business trip.

F. J. Raven of the American-Oriental Banking Corporation of Shanghai was elected Vice-President for the Orient of the American Bankers Association at the recent convention held in Los Angeles.

Felix Warburg, member of the New York Banking firm of Kuhn, Loeb and Company, accompanied by Mrs. Warburg, is departing on Jan. 6 from New York for a tour of Japan, China and India.

The Y's Men's Club of Shanghai is planning to give a Chinese fashion show at the Embassy Theater on December 16 and 17, the proceeds to be devoted to the establishment of a Baby Clinic in the Shanghai native city.

Mrs. Robert E. Speer, national president of the Y. W. C. A. in the United States, addressed the Sunday afternoon service at the Y. M. C. A. on Sunday, Nov. 28 on the subject, "The Christian Woman and the World of Today."

The regular meeting of the Shanghai Rotary Club last week was held on Friday, Nov. 26 at the Astor House Hotel, the speaker being Dr. David Z. T. Yui, of the National Committee, Y. M. C. A., who talked on the subject, "Nationalism and Internationalism."

An action has been brought in the British Supreme Court in Shanghai against the firm of Arnhold Brothers and Company, by the National Aniline and Chemical Company N. Y. for the sum of G.$398,834.10 the case growing out of a transaction in New York in 1919.

The name of L. K. Kentwell, local British attorney, was struck from the rolls of British attorneys eligible to practice before the British Court in China, on Nov. 24, the specific charge being that Mr. Kentwell had registered a Chinese citizen as a Spanish subject at the local Spanish consulate,

Mei Lan-fang, well-known Chinese actor and female impersonator, has appealed to the police of the foreign settlements for protection against blackmailers who have been demanding the sum of $30,000 as a "loan." Mr. Mei has been appearing here for several days at one of the Chinese theaters.

Tao Leng-yueh, well known Chinese artist of the modern school has just published an interesting and attractive booklet containing reproductions of his work, the booklet being of convenient size and consisting of about 50 pages. Mr. Tao has made a special reputation through his attempt to modernize Chinese art, his pictures representing moonlight scenes attracting particular attention. Copies of the booklet may be obtained by addressing Mr. Tao at No. 69 Tsai Hui Ho Tao, Soochow.

Direct to Chicago

on the "North Coast Limited"

From steamship dock to railroad station, and then straight across the Pacific Northwest to Chicago—in 70 hours! This is what you can do by taking one of America's fine trains east from Seattle—"The North Coast Limited."

You make no changes in berth, car, or train all the way—one service from Seattle as far east as Chicago! Convenient connections at Chicago to any place East or South.

You will enjoy Northern Pacific meals.

Newest of Pullman sleeping cars! Newest of observation cars! Barber, valet, ladies' maid, and countless comforts to make your trip delightful.

There is no extra charge for riding on this train.

For rates and literature apply to

R. J. Tozer, *General Agent,*

609 Robert Dollar Bldg., Shanghai, China.

Northern Pacific Ry.

(155)

Proposed Merger of American Association and Chamber of Commerce at Shanghai

The American Association of China, the oldest American organization in the Far East, having been organized in 1897, is shortly to be merged with the American Chamber of Commerce of Shanghai, according to notices mailed out this week to the membership of the Association.

According to the announcement, the plan for coordinating the activities of the two American organizations, has been under consideration by the Committees of the two bodies for a considerable period, resulting in the following proposals:

1—That the American Association be merged with the American Chamber of Commerce, the style of the latter organization in future to be, "American Chamber of Commerce, With Which is Associated the American Association of China."

2—That members of the American Association, regardless of occupation, and other American citizens of good standing be eligible to membership in the American Chamber of Commerce as individual members, the dues to be $10 a year, half of which, or $5 to go into a Community Fund to be disbursed for community relief and general community purposes.

3—That the present funds of the American Association be transferred to the Chamber of Commerce to be dispensed by a special committee of the Chamber to be known as the Community Committee which will carry on the functions now being handled by the American Association.

4—That the Chamber of Commerce, following the next annual meeting shall create a Community Committee to be composed of not less than seven members, a majority of whom shall be individual members of the Chamber. Said Committee to have charge of civilian relief and other general community matters heretofore handled by the American Association.

In addition to the foregoing summary of the action which is now under contemplation by the Committees of the two American bodies the circular mailed out also contains a copy of a resolution which has been approved by the two committees, favoring the action and also citing proposed changes necessary in the constitution and byelaws of the Chamber in order to make the changes effective.

The purpose of the proposal, according to the circular, is to coordinate the activities of the American community, avoid duplication of effort and expense. A blank form has been sent to the membership of the Association asking for an expression of opinion on the proposed merger.

The present officers of the American Association, who will probably carry on as the Community Committee of the Chamber of Commerce are as follows: President, W. I. Eisler; Vice-President, Geo. A. Fitch; Secretary, J. B. Powell; Treasurer, John S. Potter and Assistant Secretary, W. Van Buskirk. Other members of the Committee are, Major C. P. Holcomb. Claude C. Foulk, E. L. McCloskey, J. V. Murray, and S. Fessenden.

Andersen, Meyer and Company Loses Appeal in Famous Fur Case

The Ninth Circuit Court of Appeals at San Francisco has sustained the Judgments of Judges Charles S. Lobingier and Milton D. Purdy of the U. S. Court for China in the case of the Fur and Wool Trading Company vs Andersen, Meyer and Company which had its origin in 1921 when the Russian Baron von Ungern was in control of Mongolia prior to the occupation of that territory by the Soviet. The amount involved was $63,664.02 and covered a shipment of furs which was purchased in Urga, Mangolia in 1921. The Fur and Wool Trading Company was represented in Urga by a man named Noskoff who was kidnapped by an agent of Baron von Ungern and who demanded the sum of $50,000 as ransom. Noskoff's wife, in order to raise the money, sold the furs to Andersen, Meyer and Company for $24,000 and turned the money over in order to ransom her husband. The case was brought originally before Judge Lobingier who held that Andersen, Meyer and Company was liable for the value of the furs. The case was then retried before Judge Purdy, who also found in favor of the fur company. It was then taken before the Court of Appeals at San Francisco and the judgments of the U. S. Court for China were confirmed and Andersen, Meyer and Company held liable for the amount. The case has attracted considerable attention both in China and the United States owing to the international complications pertaining to the status of Mongolia.

Father Peteen, a Belgian Catholic priest was kidnapped by Chinese bandits near Suiyuan, Shansi Province on Nov. 22, according to a report of the French Legation in Peking on Nov. 29.

St. Andrew's Day was fittingly celebrated in Shanghai on Tuesday, Nov. 30, the program including the laying of a wreath at the base of the War Memorial, a service at Union Church on Sunday, Nov. 28 and the annual grand ball at the Town Hall.

It is reported that a call is shortly to be issued through one of the leading Shanghai real estate concerns for a meeting of foreign land-owners for the purpose of forming an organization. The meeting will be held about the middle of December.

The last number of the *National Geographic* contains an interesting and comprehensive article on "Present-Day Russia" written by Junius Wood, correspondent for the *Chicago Daily News* in Moscow. Mr. Wood formerly represented his paper in the Far East.

Dr. and Mrs. Daniel Joseph Collins of Washington, D.C. arrived in Shanghai this week and will make their home here, Dr. Collins being associated with Dr. T. G. McMartin in the practice of dentistry. Mrs. Collins is a daughter of Hon. L. C. Dyer, member of Congress from St. Louis.

Radical student and labor organizations in Shanghai have started agitations against the entrance of Fengtien troops into Kiangsu Province and also against the flotation of a military loan amounting to $10,000,000 which has been announced by Gen. Chang Chung-chang, Fengtien tupan of Shantung.

Mr. and Mrs. Gardner Forster arrived in Shanghai from America last week. Mrs. Forster was Mrs. Elizabeth Stansfield-Davies a sister of Byron Stansfield of the China Import and Export Lumber Company of Shanghai. Mr. Forster is connected with the textile machinery department of Andersen, Meyer and Company.

The Christian Literature Society of China held its thirty-ninth annual meeting in Shanghai on Friday, Nov. 26. Sir Sidney Barton, British Consul-General was chairman and addresses were delivered by the Rev. Hugh T. Kerr, Dr. Reischauer and others. Dr. D. MacGillivray, is general secretary of the organization.

More than a thousand laborers employed in the Wei Tung Cotton Mill, a Chinese concern in Shanghai, struck last week and in addition there is considerable uneasiness among laborers in other Chinese owned mills and silk filiatures. The proprietors charge Cantonese propaganda as being responsible for the unrest.

The Little Club, a dancing and entertainment place, modeled on the popular night clubs in London and New York, was opened in Shanghai last week, the Club being located on Bubbling Well Road near the Carlton Cafe. The Club is luxuriously furnished and has an American Negro orchestra. The proprietor is Mrs. Joe Meredith.

Miss Bunnie Powell and John William Powell, children of Mr. and Mrs. J. B. Powell of Shanghai, who were scheduled to sail for America on the President Madison, Nov. 28 were prevented from sailing owing to illness, but probably will sail on the President Jackson leaving Dec. 10. Mrs. Powell, who is now in America will meet the children at Seattle.

John Barton Payne, chairman of the American Red Cross, who is now in Japan attending the conference of Oriental Red Cross Societies, was decorated by the Japanese Government with the First Class Order of the Rising Sun with the Grand Cordon, in appreciation of services rendered to Japan by the American Red Cross during the earthquake and fire of 1923.

An armed gang of masked Chinese burglars broke into the law offices of Fessenden, Holcomb and Snyder, No. 2 Kiukiang Road, Shanghai on the night of Nov. 26 and stole about $1,000 in currency from one of the desks in the office. A coolie who was on guard, was bound and gagged, after which the robbers took his keys and opened the office of the compradore's room.

Miles W. Lampson, recently appointed British Minister to China arrived in Shanghai this week on the British Cruiser Dispatch from Hongkong, and while in Shanghai will hold numerous conferences with British officials and representatives of British commercial and financial interests. Sir. Ronald MacLeay retiring British Minister is also in Shanghai on his way home to England.

Holger Harrendorf, former Shanghai business man, alleged to have defrauded the Hongkong and Shanghai Banking corporation and other foreign and Chinese banks here of large sums of money, who was arrested in Japan recently, is being brought back to Shanghai for trial. Mr. Harrendorf is alleged to have defrauded the Hongkong and Shanghai Bank of £54,000.

Announcement ——

Toyo Murakami, art and Oriental curio specialists, formerly located at the Palace Hotel on Nanking Road, have removed to their new premises at Corner of Kiangse and Ezra Roads, Shanghai.

We have now received a new stock of Haori coats, Dress patterns, pretty Water colours in various sizes, as well as other novelties, suitable to send abroad as X'mas presents.

TOYO MURAKAMI

Kiangse and Ezra Roads Shanghai Tel. C. 2319

According to a *United Press* message from Moscow dated Nov. 29, a concession for exploiting a gold mine has been granted by the Soviet Government to an American Company headed by E. Carlton Baker, former American Consul at Mukden, but in recent years adviser to Marshal Chang Tso-ling. Others connected with the enterprise include B. A. Hammerschmidt T. P. Lord.

The first production of "Outward Bound," by the American Players of Shanghai was presented at the Carlton Theater on the evening of Thursday, Dec. 2. There will be further productions on Friday and Saturday evenings, Dec. 3 and 4. The characters include, Mr. Mayfield, Mrs. Thos. Steep, Ian Beith, Frank Courtney, Mrs. E. G. Tait, Kenneth Newman, Mrs. Gardner Crane, Gardner Crane and J. Hykes.

A luncheon in honor of Miles Lampson, new British minister to China, will be given at the Union Club of China on Friday, Dec. 3. In addition to the function in honor of the British Minister, the Union Club has also announced a dinner dance for the evening of Tuesday, Dec. 7 and a Christmas party for poor children to be held in the club premises during the Christmas holiday season.

The remains of Hsu Hsu-tseng, or "Little Hsu" as he was popularly known, were transported by train to Hsuchowfu, Kiangsu province for burial on Saturday, Nov. 27. The body was brought to Shanghai several months ago from Tientsin where Gen. Hsu was assassinated by political enemies, and has been kept at the Kiangsu guild in the Chinese city awaiting until the appropriate period of mourning had passed.

The Canton Government has definitely decided to remove the Nationalist Government headquarters from Canton to Hankow according to a report from Canton on Dec. 1, which stated that the heads of the Government will depart from Canton for Hankow on Dec. 5. The actual decision was made by Teng Yen-ta, chief of the political section of the Government and of the executive committee of the Kuomintang.

The Holy Trinity Cathedral, Shanghai, was filled to overflowing on Thursday, Nov. 25 at the annual American celebration of Thanksgiving Day. Judge Milton D. Purdy of the U. S. Court for China presided and C. E. Gauss, Consul-General, read the President's Thanksgiving Day Proclamation. The sermon was delivered by the Rev. Robert E. Speer, the Rev. Dean Symons, Rev. W. H. Eigel, Jr. and Rev. Clifford M. Drury, assisting at the service. Members of the American Company and Troop, S. V. C. attended in uniform. The musical service was conducted by L. B. Perry.

The China Merchants Steam Navigation Company has temporarily suspended its services to Canton owing to the action of strike leaders in that city intimidating members of the crews and forcing a tieup of the ships. The Cantonese action was taken in consequence of Marshal Sun Chuanfang's use of the Company's ships for transport purposes. The Seamen's Union has sent a letter to Marshal Sun stating that the seizure of the ships had worked a serious hardship on the sailors and in the case of the Kiangteen, which exploded and burned at Kiukiang harbor some time ago, a number of sailors had lost their lives.

The current number of the *Meifoo Shield*, house organ of the Standard Oil Company, of N. Y., Shanghai, contains as its leading article a story entitled. "The Chinese Way," by Warrack Wallace. In addition there is an article on the Philippines entitled, "Into Bukidnon-A Remote Philippine Province" by F. C. Edwards. An interesting sea-yarn entitled "The Only One on Record" by F. D. Tracy, occupies central position in the issue. There are also a number of excellent reproductions of snapshots of Japanese scenery by Miss Alice Ouise Peet of the Shanghai office. The front cover is a handsome color Chinese street scene.

The eleventh annual report of the China Medical Board, Rockefeller Foundation, which has just been issued from the New York office, 61 Broadway, deals with the work of the organization in China. The introduction refers especially to the difficulties of educational institutions in China in consequence of the internal political disorder. "A striking feature of this period," states the report, "was the loyalty of most of the teachers in the Government schools of all grades, who continued to work even while their salaries were many months in arrears." Still another element of encouragement, states the report, is the steady increase year by year in the number of competent teachers, administrators, and practitioners of the various professions. Considerable attention is also devoted to the formation of the China Foundation for the promotion of Education and Culture, an organization formed for the purpose of administering the expenditure of the balance of the American share of the China Boxer Indemnity.

The American Metal Company, Ltd., with offices at 2A Kiukiang Road, Shanghai, extensive dealers in gold and silver bars, has circulated a letter from its head office, 61 Broadway, New York, explaining the circumstances of the Company's connection with the Daugherty-Miller trial in New York. According to the letter a considerable number of shares in the Company owned by enemy aliens at the time of the American declaration of war against Germany, were turned over to the Alien Property Custodian, for the account of the German owners. In December, 1919 these shares were sold by the Alien Property Custodian at public auction to a syndicate headed by Charles D. Barney and Company, Bankers of N. Y., thereby eliminating all German interest in the firm. The proceeds of the sale were in September, 1921, released to European claimants. The recent Daugherty-Miller trial resulted from a charge that Mr. Daugherty, who was then Attorney-General of the United States, had accepted a bribe for releasing the funds to the German owners. The trial resulted in a hung jury, but according to recent report, the Government may institute a new suit.

Shanghai's Public Holidays for 1926

The following list of official holidays for 1927 has just been announced by the American Chamber of Commerce of Shanghai:

2 days	New Year	Sat. Mon.	Jan. 1, 2.
4 days	China New Year	Wed. Thur. Fri. Sat.	Feb. 2, 3, 4, 5.
*1 day	*Washington's Birthday*	Tuesday	Feb. 22.
3 days	Easter	Fri. Sat. Mon.	Apr. 15, 16, 18.
*1 day	*Memorial Day*	Monday	May. 30.
1 day	Dragon Boat Festival	Saturday	June 4.
1 day	Whit—Monday	Monday	June 6.
2 days	Summer Holiday	Fri. Sat.	July 1, 2.
*1 day	*Independence Day*	Monday	July 4.
1 day	Bank Holiday	Monday	Aug. 1.
1 day	Mid—Autumn Festival	Saturday	Sept. 10.
1 day	Anniversary of the Chinese Republic	Monday	Oct. 10.
*1 day	*Thanksgiving Day*	Thursday	Nov. 24.
2 days	Christmas	Mon. Tues.	Dec. 26, 27.

*Indicates American Holidays, which Americans may wish to observe, all others are the same as adopted by the Shanghai General Chamber of Commerce.

Developments in the China Situation for the Past Week

A few days ago Marshal Sun Chuan-fang, previously commander of the so-called Five Southeastern Provinces, Anhwei, Kiangsu, Chekiang, Kiangsi and Fukien, secretly departed for Tientsin for the purpose of obtaining the assistance of Marshal Chang Tso-ling against the Kuomintang or Cantonese forces under Gen. Chiang Kai-shek. Several days have elapsed since Marshal Sun's arrival in Tientsin and although there have been several reports regarding Marshal Sun's plans to immediately return to Nanking, he is still in Tientsin as these lines are written. As a result of Marshal Sun's continued absence from his post, rumors are in circulation that he has abdicated, or to put it another way, that he has sold out to the Fengtien Party. The facts in the situation seem to be that Marshal Sun in order to maintain his position against the pressure exerted against him by Fengtien on one hand and by the Cantonese on the other, has been forced to make a deal with Fengtien whereby Gen. Chang Chung-chang, Fengtien tupan of Shantung, will take over all of Kiangsu province north of the Yangtsze River. As a matter of fact Chihli and Shantung troops under the command of Gen. Chang Chung-chang have already occupied the strategic post of Hsuchowfu in Northern Kiangsu and have also sent troops to Pukow and Nanking. Marshal Sun's troops which previously occupied northern Kiangsu, have been withdrawn to the Shanghai district and to Chekiang province, thus indicating that Marshal Sun may attempt to hold this territory on behalf of the Northern or Fengtien forces.

Marshal Sun Chuan-fang

Shanghai Opposed to Fengtien

Immediately after it became known that Marshal Sun Chuan-fang had gone to Tientsin for the purpose of making a deal with the Fengtien Party, agitations were started in the Shanghai district against the sending of Fengtien troops to this territory. An organization known as the Three Province Association, composed of representatives of Anhwei, Kiangsu and Chekiang, has been conducting a strong agitation against the admission of Fengtien troops into Kiangsu and against the reported plans of the Fengtien Party to issue some $10,000,000 in military notes for circulation in this district. In addition to this the troops formerly belonging to Marshal Sun Chuan-fang, have shown strong opposition to the deal which Marshal Sun made for Fengtien assistance. The situation is still unsettled as these lines are written, but from agitations now being conducted in Shanghai, it is possible that the sending of Fengtien troops in large numbers into Northern Kiangsu may have the effect of throwing the Shanghai district and Chekiang province into the hands of the Cantonese, the reason being that if Shanghai must accept one or the other, the choice will go toward the South.

Shanghai Awaiting the Storm

Aside from the arrival of Fengtien troops in Northern Kiangsu there have been no military movements of note during the week under review. The Cantonese forces have made no further moves since the occupation of Kiangsi, but that the Cantonese leaders are busy has been indicated in reports of conferences by military and political leaders both in Kiukiang and Nanchang. Practically all of the prominent members of the Kuomintang Party are now in the Hankow district and are being accompanied by their Soviet Russian advisers, the chief interest apparently being in plans for the consolidation of their victories and the establishment of Kuomintang administrations in the territory which the Kuomintang now controls. Just what direction the next Kuomintang advance will take is not known, but every indication points to the fact that Shanghai will be the next objective, the reasons for this being two-fold; First, it is vital to the Kuomintang that they have access to the Yangtsze River at Shanghai, if they are to maintain their position in Central China. If the Shanghai district is controlled by Fengtien or any party hostile to the Kuomintang, it naturally forces the Cantonese to transport their supplies overland from Canton, a most difficult problem owing to the mountainous character of the area of about 250 miles which separates the uncompleted section of the Canton-Hankow Railway in Hunan province. The second reason for the ambitions of the Kuomintang to control Kiangsu, is based upon the need of the Canton Government for the revenues of this area, revenues resulting from the important Chinese Government salt fields in northern Kiangsu. Up to the present both of these revenues have been controlled by Marshal Sun Chuan-fang, but now that Sun has made a deal with Fengtien, he undoubtedly has surrendered control of the Kiangsu salt revenue to Gen. Chang Chung-chang of Shantung. The control of the Kiangsu salt production by forces in opposition to the Kuomintang has had the effect of causing a salt famine in Central China in Hupeh, Honan, Hunan and other districts. Szechuen province is also an important producer of salt, but the disturbed military situation combined with military taxation has almost stifled salt production in that area, leaving the northern Kiangsu salt fields as the only other important source.

Position of the Christian General

Although it has been persistently reported that the Christian General, Feng Yu-hsiang, was advancing into Honan for the purpose of linking up his forces with those of the Kuomintang in Hankow and Hupeh. it now seems that Gen. Feng is making his influence felt also in the North for the Japanese *Toho* Agency reported on Monday, Nov. 29 that Marshal Chang Tso-ling had been forced to send further troops to the Jehol and Chahar districts north of Peking for the purpose of blocking a renewed offensive of the Kuominchun into the Peking area.

The Critical Situation in the North

The control of practically all of the provinces south of the Yangtsze by the Kuomintang and the control of Shensi, Kansu and Suiyuan by the Kuominchun, naturally produces a critical situation for the Northern militarists, now narrowed down to the Fengtien Party under Marshal Chang Tso-ling. Marshal Wu Pei-fu is still at Chenchow in Honan province and although he has up to the present refused to permit Fengtien reinforcements to be sent into Honan, he has on the other hand been unable to do anything to oppose the Kuomintang himself, the reason being his shortage of funds and his inability to control his subordinates who are alleged to be sympathetic toward the South.

The Cabinet Situation

Dr. V. K. Wellington Koo, who has been maintaining the skeleton of a Cabinet in Peking with himself as Minister of Foreign Affairs and Acting Premier, has sent out a circular telegram announcing his resignation, the reason being the impossibility of carrying on in the face of the unsettled political situation in the North and the menacing situation in the Yangtsze Valley. A few days ago Dr. Koo made a trip to Tientsin where he conferred with Marshal Chang Tsoling and immediately thereafter there were reports of a pending Cabinet shake-up. The final results have not been announced, but it is reported that Koo will occupy the post of Minister of Foreign Affairs and Pan Fu the post of Minister of Finance. The chief trouble is that of finance, the Fengtien party being completely at a loss where to turn for funds. Sir Francis Aglen, British Inspector-General of Customs, who has just returned to Peking from a hurried trip to London, has announced his refusal to entertain any proposal for further loans on the Customs surplus, and reports on Monday Nov. 29 were to the effect that the British, French, Japanese and American Ministers had also added their protests against the flotation of further domestic bonds on the Customs revenues. There was also a report that certain foreign firms, chiefly British, had offered the Fengtien Party a loan of £5,000,000, but this probably was pure propaganda circulated by enemies of the Fengtien Party.

The Labor Situation at Hankow

Hankow is now in the midst of most serious labor troubles, the direct result of the Kuomintang occupation of the city, and according to latest reports, practically every industry in the city is affected. Since it is always one phase of the Kuomintang propagands to offer the workers an increase in salaries, it is natural that labor troubles always follow the Kuomintang occupation. The Japanese Concession at Hankow was practically tied up for several days owing to a general strike of Chinese employes of Japanese concerns and even of Chinese servants employed in Japanese homes and shops. The printing trades were also affected and as these lines are written there is a threat of a general

(*Continued on page VI*)

From the Chinese Press

November 25.—Wellington Koo, Minister of Foreign Affairs and Acting Premier, returns to Peking after an interview with Marshal Chang Tso-ling, Dr. Koo being accompanied by Admiral Tu Hsikwei of the Navy Department, Pan Fu, Minister of Finance and Hsia Jen-hu, vice minister of finance, and as a result of the Conference it is reported that the Koo cabinet may remain in office for the present, with vacancies being filled with Chang appointees— Japanese *Toho* report from Peking states that Fengtien party seriously embarassed for funds for expedition against Kuomintang and that rumors are in circulation that British firms in Hongkong are offering a loan of £5,000,000 to Sun Chuan-fang and Chang Tso-ling for the campaign; also reported that Wellington Koo refuses to have Cabinet ratify said loan—Canton Government experiences great trouble with laborers in Canton arsenal, owing to dismissal of laborers for inefficiency; laborers all strike forcing Government to reinstate dismissed men—Canton officials reticent regarding reports of Chang Tso-ling's election to the Presidency, there being rumors in circulation that Canton has entered into a secret alliance with Fengtien whereby Canton will not object to Chang accepting the Presidency, while Fengtien will agree to the elimination of Sun Chuan-fang and Wu Pei-fu—Kiangsu, Chekiang and Anhwei provincial association telegraph British Minister in Peking and British Government in Hongkong protests against reported British loan to Sun Chuan-fang and Chang Tsoling- Chekiang Association telegraphs Chang Tso-ling urging him not to send Fengtien troops into Kiangsu and Chekiang—Gen. Chu Yu-puh, tupan of Chihli, goes to Paotingfu to cooperate in the sending of troops South—Pan Fu definitely assumes post of Minister of Finance in Koo Cabinet—About 20,000 troops under Gen. Hsu Kun concentrating at Hangchwan for transport southward—Wellington Koo receives Turkish Charge d'Affairs who arrives for negotiation of commercial treaty between China and Turkey—Kiangsu gentryin Peking urge Fengtien not to send troops into Kiangsu—Some 6,000 Russian mercenary troops depart from Tsinanfu, Shantung for Hsuchowfu, Kiangsu and Gen. Chang Chung-chang prepares to depart for Nanking shortly.

November 26.—Teng Yen-ta, chief of Administrative Section of Canton Government and Gen. Chang Fu-kwei, commander of 11th division, Canton army arrive in Canton by airplane from Wuchang announcing that important Kuomintang military conference has been called for Wuchang—Peking Government notifies Hsu Yuan, Commissioner of Foreign Affairs, Shanghai to refuse to permit Belgian delegates to attend Customs Valuation Conference at Shanghai—Fengtien party urges Peking Government to cancel contracts with Great Northern and Eastern telegraph

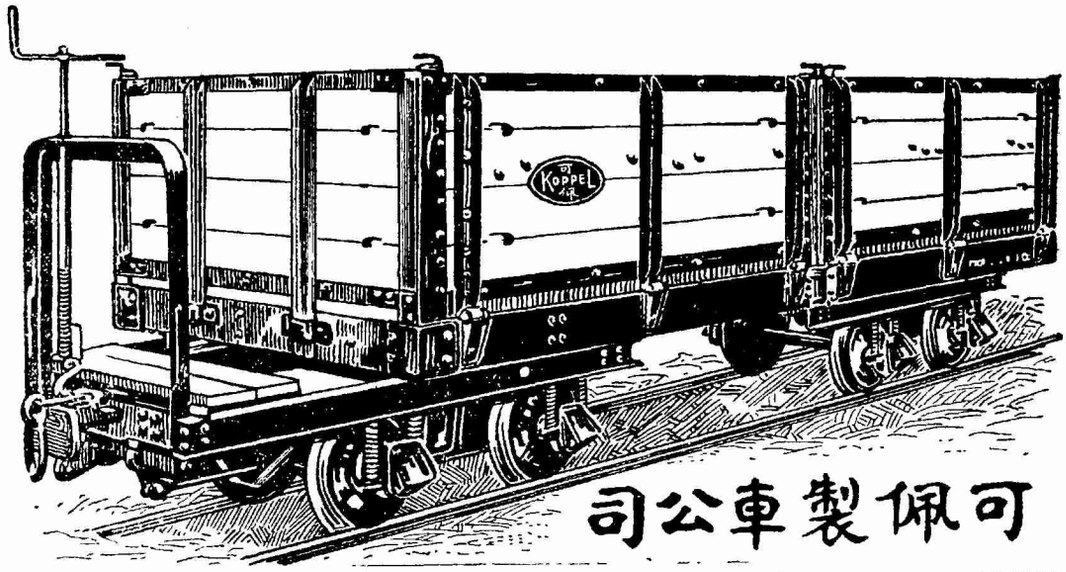
THEY are used by millions of Men who care for a really superior Hat.

Agents

Dodge & Seymour (China) Ltd.

3 Canton Road Shanghai, China

INDUSTRIAL RAILWAYS



可佩製車公司

KOPPEL INDUSTRIAL CAR & EQUIPMENT CO.

No. 2 Canton Road, Shanghai, C. P. O. Box 743

MANILA——*BRANCHES*——ILOILO

39-025

HANKOW HERALD

A

DAILY NEWSPAPER

OF PROVEN WORTH

Supplied to all Hankow, and hundreds of homes throughout the entire Yangtze Valley.

Write for subscription and advertising rates.

Cable Address;—"Herald," Hankow.

HARBIN OBSERVER

The only British owned newspaper published in Manchuria.

Every

Monday, Wednesday, Friday and Saturday.

Absolutely Independent and

Non-Political

Publisher and Editor... ... B. H. FLEET

Subscription... ... ...M.$15 per annum.

In conjunction with the above

THE HARBIN COMMERCIAL POST

Published every Monday ...Yen 6 per annum.

Devoted to commerce and industry.

10 Malaya Skvozaya, Harbin

P. O. Boxes 241 and 283

Companies—British municipal officials, Tientsin, close office of Kuomintang party, arresting four employes—Cantonese army advancing into Fukien province capture town of Chuanchow, south of Foochow—Chang Tso-ling issues orders for mobilization of Fengtien air-force and 14th regiment of Fengtien troops are being dispatched southward—Gen. Yang Sen, according to Japanese report, has joined the Canton Government and has assumed command of the 20th Southern army and has been appointed commander of the defense forces in Hupeh and Szechuen with headquarters at Ichang—Gen. Chang Chung-chang's proposal for the issuance of $10,000,000 in military notes in Kiangsu province, approved by Cabinet—Sir Francis Aglen, inspector general of customs, turns down proposal of Finance Minister, Pan Fu to issue $10,000,000 bonds on Customs surplus, it also being reported that the proposed foreign loan of £5,000,000 has failed—Anti-British Boycott Expansion Society formed in Canton for purpose of keeping boycott alive—Kiangsu, Chekiang, Anhwei Association appoints David Z. T. Yui and Dr. Chen Ting-jui as delegates to consider peace problem—Gen. Yang Yu-ting, chief councillor of Chang Tsoling recommends that Fengtien forces do not advance beyong Yangtsze River for present—Serious strike of printers in Hankow—Wu Pei-fu holds important military conference in Chen-chow, Honan which decides to leave military matters to direction of Wu Pei-fu; to authorize civil governor Chang Yin-hua to look after Honan finances; Gen. Tien Wei-chin to manage millitary affairs; that the various generals release railway rolling stock held; that no further illegal taxes be levied—Tsao Kun goes to Kaifeng, Honan to celebrate his birthday—Sir Ronald Macleay, British Minister proceeds to Hongkong to hold conference with Mr. Lampson, new minister and Sir Cecil Clementi, Hongkong governor on British policy—Fourteenth Fengtien regiment arrives Hsuchowfu under command of Gen. Peng Tuh-chien—Marshal Sun Chuan-fang remains at Tientsin for present—Pan Fu meets with Chinese bankers, demanding funds for war purposes, but reports state he is unsuccessful—Middle and primary schools, in Peking demand funds for carrying on—Tsinanfu report states that Chang Chung-chang will personally lead army on Kiukiang, while Gen. Chu Yu-puh will be stationed at Hsuchowfu to command rear—Reported that Gen. Pi Shu-cheng's navy, now stationed at Tsingtao will blockade Shanghai—Rumored that Wu Pei-fu has finally agreed to permit Fengtien troops to enter Honan—Dr. C. T. Wang arrives in Manila—One brigade of Chang Chung-chang's troops arrives in Nanking—Chang Tso-ling states, according to *Toho* agency that Chihli-Fengtien troops will not advance further than Yangtsze River and that there will be no mobilization of Peking—Hankow Railway for the present—Japanese newspaper *Hochi* states Cantonese consolidation of position south of Yangtsze makes Kuomintang party of equal importance with Peking Government necessitating extremely careful policy on part Japanese Government.

November 27—28.—Fengtien party dispatches two cavalry birgades from Kalgan toward Wuyuan in an effort to dislodge the Kuomintang forces which have again become menacing—Wellington Koo again announces his intentions to resign—Sudden change takes place inFengtien attitude owing to strong opposition which has developed in Kiangsu against the entrance of Fengtien troops, it now being reported that Fengtien will not advance troops below the Yangtsze—Radical bodies in Shanghai charge Marshal Sun Chuan-fang with selling out to Gen, Chang Chung-chang of Shantung—Reported that former followers of Sun Chuan-fang in Kiangsu and Chekiang are showing strong opposition to the entrance of Fengtien troops into

(*Continued on page VI*)

"When thinking of Silks, think of "The Lion Silk Store"

That is where they keep all those varieties of

The Lion Silk Store

Established 1918

Beautiful Silks

which you see all fashionable folks wearing nowadays. Keep pace with the stylish by purchasing your Silks from

Laou Kiu Luen & Company

"The Lion Silk Store."

P.424 Nanking Road, Shanghai.

New Books of Interest in the Far East

A Story of a Modern Japanese

Banzai by John Paris, author of Kimono. Published by Boni & Liveright, New York. PP 313. Price Gold $2.50.

Banzai or "Hurrah!" is concerned with a young Japanese boy who seethes with unrest and discontent in his native land and after an adventurous boyhood and youth comes to England to free himself from the shackles that the rigid customs of the "Land of the Rising Sun" forces upon him.

Takao Ono is a real character whom the author met in a London cinema and consequently got his story. Takao from the years before his teens has always gotten into petty scrapes which increased in seriousness as he grew older. He was a lad anxious to be in his own words "conspishous." That is the reason then why Takao chooses the naval service instead of the army, why he gets shipwrecked on a mid-Pacific island rather than remain in his backward village of Johana carrying on the ancient business of his fathers; namely, manufacturing meat sauce. His desire for freedom, independence and to be conspicuous leads him eventually into the British Royal Flying Corps where a brave soldier could die with a thrill.

Banzai is one of those books whose facts and actualities are stranger than fiction. There is much of Japanese public and private life in the volume which is as revealing as was the author's famous *Kimono* and *Sayonara*. After reading this book which is classed among the best sellers in England at the present time, one feels that he knows much more about the little understood Japanese family life, the life in the village, in the schools and the universities, all of which are drawn colorfully with knowledge and understanding and with the touches of romance and beauty for which the author is famous in his former books upon Japan.

The personal and official attitude of the Japanese men and women towards sex, marriage, commercialized entertainment and infamy are described with an unprejudiced point of view, suggesting vivid contrasts and comparisons with the Occident.

Perhaps the most powerful and most human touch in the entire book is presented in the chapter devoted to the recent earthquake in Japan and the subsequent commerical and social efforts at rehabilitation thereafter. This book cannot fail but strongly appeal to the reader who is at all interested in the Japanese and their phenominal way of assimilating what the West offers.

R. H. P.

A Compilation of Negro Spirituals

The Second Book of Negro Spirituals: edited by James Weldon Johnson with Musical Arrangements by J. Rosamond Johnson: New York, The Viking Press.

This book, the second of American Negro Spirituals, places in permanent form the apparently inexhaustible number of Negro songs, the basis of which is the Negro's native African rhythm and the King James version of the Bible, out of which has been created the Spirituals. In the introduction we are told that "in the Spirituals the Negro did express his religious hopes and fears, his faith and his doubts. In them he also expressed his theological and ethical views, and sounded his exhortations and warnings." But all of them are by no means songs of worship, though having a religious origin and usage.

Taken as a whole the Spirituals contain the record and revelation of the deeper thoughts and experiences of the Negro in America for a period of two and a half centuries and together with the secular songs-work songs and sex songs—"furnish a full expression of the life and thought of the otherwise inarticulate masses of the Negro race in the United States." They show the Negro's many sided nature, his sensitiveness and quick response to the whole gamut of human emotions.

The book is a real contribution for it provides a slight insight into one of the finest examples of folk-art in the world and the recent awakening of America to this art shows that America, after all these years is coming to appreciate the contribution of the African Negro. To quote from the author, "A startling truth it is that America would not be precisely the America it is except for the silent power the Negro has exerted upon it, both positive and negative."

Science, Education and Agriculture

ENGLISH ESSAYS FOR THE NEW DAY, by Prof. Brede. Shanghai: The Commercial Press, 1926. $3.00

This collection of essays by Prof. Brede is published in a most attractive form—the paper is good, the type clear, and the proof reading is almost perfect. The essays fall under three general headings, Science, Education, and Agriculture. The last, of course, is of less general interest but evidently is due to the presence of a School of Agriculture at the University of Nanking. The essays are well selected on the whole, though every reader would probably think of some which he would like to see included and find others there which he had just as soon do without. For instance most readers will be surprised to note that while Arnold, Emerson, and Roosevelt are represented by only one essay apiece, Liberty H. Bailey and Kenyon L. Butterfield contribute two each. The Introduction places timely emphasis on the value of analysis in the study of Literature. An unfortunately sentimental tone is given by a prefatory poem, "Each In His Own Tongue," in which there is the *cliche*, "Socrates, Jesus, and the nameless millions." It is to be hoped that in the second edition this will be omitted.

M. H. .Throop

Robert E. Lee

Robert E. Lee The Soldier By Major-General Sir Frederick Maurice With Portrait, Maps, and Plans, pp. VII, 313. Boston and New York Houghton Mifflin Company The Riverside Press Cambridge. Price G. $4.00.

This is the kind of book that a reviewer with an historical turn of mind and interested in biography would wish to discuss at length. The one who believes with Carlyle that history is composed of the lives of great men finds in such a volume reasons for the faith that is in him. Of interest in addition to that aroused by the points mentioned is the fact that it is the product of one of England's richest and most mature military minds, that of a Major-General who has studied deeply history and military science. As an Englishman the author is able to avoid the pitfalls which present themselves to an American in writing on the subject of General Lee. With the passing of more than half a century since the Civil War it is yet with difficulty that Americans can write impartially of that great struggle. For this, and other reasons, a study of Lee the Soldier by an impartial English scholar is especially welcome.

The author's organization of the masses of material which he used in preparing his study remind one of the organization of a military campaign. Details which do not

(*Continued on page VI*)

In the United States Court for China

FRANK A. CRAMPTON, Plaintiff,
vs
RUTH CRAMPTON, Defendant.

Cause No. 2873
Civil No. 1169
SUMMONS
Filed at Shanghai, China,

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the petition in the above entitled action upon the defendant

RUTH CRAMPTON.

and to notify her to be and appear before this Court on or before the sixtieth day after service hereof to file her written answer on oath.

(SEAL) WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, at Shanghai, China, Nov. 24, 1926.

L. T. KENAKE
Assistant Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

Latest New York Stock Exchange Quotations

Supplied by J. E. SWAN & CO.

Share and general brokers
Members Shanghai Stock Exchange

11 Kiukiang Road. Telephone C. 6615

Closing Rates—December 1

Market Closed: Steady Business Done 1,200,000

December 1, 1926 Average 1925

STOCK	LATEST	HIGH	LOW
American Telephone & Tel. Co.	149⅛	145	130⅝
American Tobacco (Class B)	121¼	119½	84½
Anaconda Copper	47⅜	53¼	35¼
Baldwin Locomotive	155½	146	107
Bethlehem Steel (Ord)	47⅝	53½	37
General Motor (Common)	139⅛	149¾	64⅝
Liggett & Meyers (Class B)	99½	89⅞	55½
Pennsylvania Railroad	56⅛	55⅜	42½
Tobacco Products	108¾	101¾	70
Tobacco Products (Class A)	114	110⅜	93⅛
United States Rubber Co.	56¾	97¼	33½
Du Pont de Nemours (Common)	168½	271¼	134¼
American Can	34¼	48½	15
American Smelting	22⅞	28½	24¼
Union Pacific R R	163¼	153¼	133¼
U. S. Steel	146⅜	139¼	112⅜
Anglo American Oil (Voting Shares)	20	26⅜	17⅛
British American Oil	09	47½	38
Phillips Petroleum	55¼	47⅛	36¼
Imperial Oil	37½	134¾	27¼
International Petroleum	31⅛	35⅜	22⅛
Continental Oil	20	31⅛	21⅞
Standard Oil of Calif	58	67¼	51½
" " Indiana	64⅞	70¾	59½
" " New Jersey	38	47½	38⅜
" " New York	32	48⅜	40

We are not responsible for cable mutilations
Telephone orders accepted—subject to confirmation.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Nov. 18th.	Sale Price Nov. 25th.	Approx. Yeld to Maturity Nov. 25th.
Szecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	103½	104	7.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	98	98½	7.65
Republic of Chile S. F. Loan	7	Nov. 1, 1942	100⅛	100⅜	6.95
Argentine Government Ser. "A".....	6	Sept. 1, 1957	98¾	98½	6.10
German Governments S. F. Loan.....	7	Oct. 15, 1949	105⅜	105⅜	6.55
Kingdom of Norway S. F. Loan.....	6	Aug. 15, 1943	101⅜	102	5.80
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	100	100	7.00
Can. Pac. R. R. Co. Debenture Stock.....	4	Perpetual	85⅞	85½	4.68
Belgian Government S. F. Loan.....	6	Jan. 1, 1955	90	90½	6.80
Andes Copper Mining Co. Debentures.....	7	Jan. 1, 1943	107⅜	107⅝	6.25
German General Electric Co. S.F. Loan....	7	Jan. 15, 1940	103	103	6.70
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	101¼	100½	6.95
Cuban Northern R. R. Co. 1st Mtge. Loan....	6	July 1, 1966	98	98½	6.10
Dodge Brothers Inc. Debentures	6	May 1, 1940	95½	95¾	6 50
Republic of Haiti.....	6	Oct. 1, 1952	98½	98½	6.10
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	103½	104⅛	7.10
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	92⅝	92¼	7.70

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, Dec. 1, 1926

By Maitland, Fearon and Brand

Exchange:—The price of Bar Silver in London has declined ¼d during the w today's quotantions being 25⅛d. ready and 24 15/16d. two months forward. The official T rate on London remains unchanged at 2/5d., T/T on New York also remains unch at 58⅛d. The exchange market has been dull and inactive, the political situation i most uncertain with the result that business in regard to imports and exports is negli The market closes easy with the following rates for Gold remittances available:—T London 2/5⅝d., New York 59⅜, Yen 83.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 80,642,000 a decrease of Tls. 1,261,

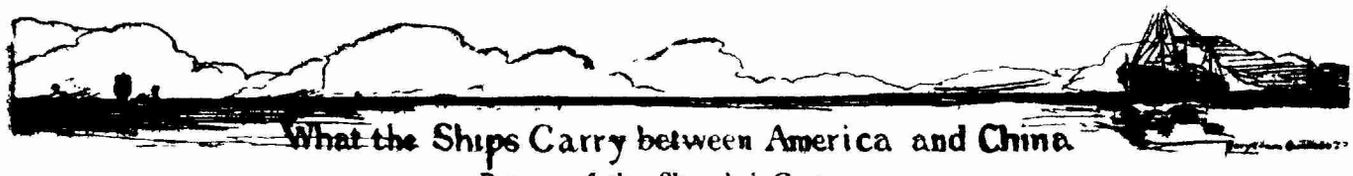
Chinese and Mexican Dollars.....$ 68,470,000 an increase of $ 1,930,

Estimated value Tls. 129,940,000 as against Tls. 101,711,000 held at this time last y

	Average rates for Nov.	Thursday Nov. 25	Friday Nov. 26	Saturday Nov. 27	Mon Nov. 29	Tues. Nov. 30	Wednesd Dec. 1
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/4.894	2/5	2/5	2/5	2/5	2/5	2/5
D/Dfts ,,	—	2/5 1/16	2/5 1/16	2/5 1/16	2/5 1/16	2/5 1/16	2/5 1/16
4 m/s ,,	—	2/5¼	2/5¼	2/5¼	2/5¼	2/5¼	2/5¼
T/T India	161 615	162½	162½	162½	162½	162½	162½
T/T France	1,724 423	1665	1665	1630	1610	1580	1615
T/T N. Y.	58.288	58½	58½	58½	58½	58½	58½
T/T Hong	80.394	80¼	80¼	80¼	80¼	80¼	80¼
T/T Japan	83.990	83¾	83¾	83¾	83¾	83¾	83¾
T/T Batavia	145 067	145½	145½	145½	145½	145½	145½
T/T Straits Bk's/buying rates	96.500	96¼	96¼	96¼	96¼	96¼	96¼
4 m/s B/E. Cred. D/A	2/6.894	2/7	2/7	2/7	2 7	2/7	2/7
4 m/s ,, D/P	—	2/7⅛	2/7¾	2/7¼	2/7¼	2/7½	2/7½
6 m/s ,, B/L Cred D/A	2/7.207	2/7 5/16	2/7 5/16	2/7 5/16	2/7 5/16	2/7 5/16	2/7 5/16
4 m/s B/F Cred D/A	1,861.154	1795	1795	1740	1740	1710	1745
4 m/s N. Y. Lc.	61.788	62	62	62	62	62	62
4 m/s ,, Dacs	—	62½	62½	62½	62½	62½	62½

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Nov. 25	Nov. 26	Nov. 27	Nov. 29	Nov. 30.	Dec. 1
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	25⅛	25¼	25¼	25 7/16	25¼	25⅛
**New York Price of Bar Silver per oz. (Pure)	G. $.54	Holiday	G. $.54½	G. $ 54⅜	G. $.54⅜	G. $ 5
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	401 40	399 10	397 30	399 00	401 00	403 40
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	111 00	111 00	111 00	111 00	111 00	111 00
Shanghai Mexican Dollars per $100.....	73.525	73.475	73 975	74.00	73.8875	73.65
Native Bank Rate of Interest (Call money).....	2%	2%	2%	2½%	2%	1½%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London Paris on	T/T 133.61
Bank of France rate of discount	7 10%	New York on London	T/T 485
London open Market of Dis. 3 m/s	4 11/16%	Bombay on London	T/T 1/5¾
,, 4 ,,	4 11/16%	Hongkong on London	T/T 1/11
,, 6 ,,	4 11/16%	Kobe on London	T/T 2/0 3/8



What the Ships Carry between America and China

Return of the Shanghai Customs

By Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.27 Goequall $1

Rhexenor, October 30.

To New York.

Silk, Raw, Re-reeled:		
White, other Ports		
Bls. 30	Pls.	30.51

President Harrison, Nov. 3.

from U. S. A.

Cotton Wool	Pls.	31
Copper Sheets	,,	6
Iron Bolts and Nuts	,,	149
Iron, Galvanized:		
Sheets, Plain	,,	342
Tinned Plates Plain	,,	96
Zinc Sheets	,,	15
Apples, Fresh	,,	521
Bronze Powder	,,	56
Cheese	,,	26
Canned Fruits	,,	53
Cotton, Raw. Bls. 100	,,	372
Dextrine	,,	25
Grease	,,	54
Grapes, Fresh	,,	526
Indigo aste, Artificial, 20 per cent.	,,	303
Leather Cow	,,	4
,, Calf	,,	10
,, Sole	,,	38
Milk, Condensed	,,	270
Macaroni	,,	14
Oranges Fresh	,,	914
Paint	,,	257
Paper, Bank-note	,,	115
,, Writing	,,	20
,, Unclassed	,,	355
Barley, Pearl	,,	188
Sugar of Milk	,,	17
Beds	Pcs.	288
Lemons	,,	9,000
Oilcloth	,,	844
Cigarettes	Mille	275
Oil, Lubricating, Mineral	Galls.	15,993
Rum	,,	17,698
Dyes, niline Pkgs. 797	Hk Tls.	15,875
Treasure:		
Silver Bars	,,	1,574,769

Lisbon Maru, November 3.

To Charleston.

Hair, Human	Pls.	50

To Baltimore.

Straw Braid, White	Pls.	18

To New York.

Silk, Waste:		
Other Ports. Bls. 7	Pls.	25.86
Tea, Leaf, Unfired, Ports	,,	282
Tea, Green:		
Gunpowder, other Ports	,,	980
Bristles, Assorted	,,	5
Egg Yolk, Dried	,,	50
Hides Buffalo	,,	289
Intestines, Pigs' Salted	,,	35
Tungsten Ore	,,	1,680
Rhubarb	,,	25
Tobacco, Leaf	,,	55
Hats, Fibre	Pcs.	1.500

Parthos, November 5.

To New York.

Silk, Raw, Steam Filature:		
White other Ports		
Bls. 395	Pls	316.00
Silk, Raw, Re-reeled:		
White other Ports		
Bls. 200	,,	222.14
Silk, Raw, Filature:		
White, other Ports		
Bls. 10	,,	10.13

Korea Maru, November 5.

To San Francisco.

Tea, Black, other Kinds,		
Kiukiang	Pls.	61
Tea, Green:		
Gunpowder, Ningpo	,,	148
Other Kinds, Shanghai	,,	6
Brassware	,,	11
Chinaware	,,	10
Paper	,,	13
Sweetmeats	,,	12
Walnuts, Whole	,,	225
Eggs, Fresh	Mille	25

To Los Angeles.

Tea, Black, Congou:		
Kiukiang	Pls.	15
Hankow	,,	20
Tea, Black, other Kinds, Kiukiang	,,	87
Tea, Green:		
Gunpowder, Ningpo.	,,	12
Young Hyson, other Ports	,,	6
Oil, Tea	,,	58
Tallow, Vegetable	,,	166

To Havana.

Silk Piece Goods	Pls.	1.63

To New York.

Silk, Raw, Steam Filature:		
White, Shanghai Bls 60	Pls.	59.91
White, other Ports Bls. 165	Pls.	132.98
Yellow, Hankow Bls. 10	Pls.	9.86
Silk, Raw, Re-reeled:		
White, other Ports Bls. 30	Pls.	30.35
Intestines, Pigs'	,,	11
Straw Braid	,,	3

President Pierce, November 6.

from U. S. A.

Fruits, Canned	Pls.	39
,, Dried	,,	106
Ink, Printing	,,	180
Leather Sole	,,	403
Milk, Evaporated	,,	388
Oranges Fresh	,,	69
Paper, Printing	,,	1,145
,, Unclassed	,,	1,676
Raisins, Dried	,,	1,158
Lemons	Pcs	85,650
Motor Cars	,,	1
Oil, Lubricating, Mineral	Galls.	48,187
Varnish	,,	213
Treasure:		
Silver Bars. Hk Tls.		1,102,133

West Hinton, November 6.

From U. S. A.

Apples, Fresh	*Pls.*	7
Canned Fruits	,,	39
Timber:		
Softwood, Rough Hewn	Sup ft	97,263
Softwood, Clear	,,	38,235
Softwood, Merchantable	,,	75,213

London Maru, ovember 9.

To Tacoma.

Tea, Green:		
Gunpowder, Ningpo	Pls.	94

To Cincinnati.

Tea, Green:		
Gunpowder, Ningpo	Pls.	86
,, Kiukiang	,,	7
Young Hyson, Kiukiang	,,	80
Young other Ports	,,	146
Hyson, Kiukiang	,,	35
,, other Ports	,,	58

To St. Louis.

Tea, Green:		
Gunpowder, Ningpo.	Pls.	192

To Louisville.

Tea, Black, other Kinds, Kiukiang	,,	13
Tea, Green:		
Gunpowder Ningpo	,,	89
,, other Ports	,,	54

To Kansas City.

Tea, Green:		
Gunpowder, Ningpo.	Pls.	139

To Hoboken, N. Y.

Silk, Raw, Steam Filature:		
White, Shanghai Bls. 35	Pls.	34.83
White, other Ports Bls. 20	Pls.	20.23

To Chicago.

Tea, Green:		
Gunpowder, Ningpo	Pls.	324

To New York.

Silk, Raw, Re-reeled:		
White, other Ports Bls. 25	Pls.	25.48
Silk, Raw, Steam Filature:		
White, Shanghai Bls. 10	,,	9.83
White, other Ports Bls. 35	,,	35.04

Hague Maru, November 11.

To Philadelphia.

Feathers, Goose	Pls.	7

To New York.

Tea, Green:		
Gunpowder, Ningpo.	Pls.	156
Other kinds, other Ports	,,	245
Antimony, Regulus	Pls.	1,658
Bamboo Splits	,,	243
Egg Albumen, Dried	,,	84
Palm Fibre	,,	30
Hair, Horse	,,	273
Intestines. Pigs', Salted	,,	12
Oil, Wood	,,	1,133
Tungsten Ore	,,	467
Rattan Core	,,	150
Rhubarb	,,	29
Wool, Sheep's	,,	329
Seed, Sesamum	,,	2,100
Tallow, Vegetable	,,	122
Hats, Rush	Pcs.	59,400
Skins, Hare	,,	8,000

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Our market during the past week may be said to have been on the whole an uneventful one in that very little actual business was transacted. The Mills in general, showing no interest in offerings at favourable rates, are taking in supplies on as small a scale as possible, which attitude on their part would ordinarily prevent an upward movement to any appreciable extent but contrary to expectations our market at the close evolved a steadiness in prices bordering on firmness which may have been influenced by the steadiness in Mid-Americans notwithstanding the immensity of the figures of the last U.S. Bureau crop estimate published as being 18,399,000 bales.

Holders of whatever stocks are still available of the local staple remain firm, being encouraged in their attitude by the prevailing low silver exchange, the continued steadiness of Mid-Americans and Indians and the meagre receipts from the interior marts; all of which factors may be reasonably assumed as indicating in the near future if not to higher levels at least to no appreciable retrogressiveness.

Yarn:—During the past week there has been no change in the fundamental conditions of the yarn market. Fluctuations were within narrow limits, and with a steady tendency at the close of the week. In all some 7000 bales of local spinnings have been booked for export to Hankow, Canton, Swatow, Newchang, Tientsin, Ningpo, Szechuen and other interior ports.

Liverpool:—

American-Middling	6.96
American-Middling last reported	6.99

Tone of the market, *Steady*.

New York Market:—

Price of Mid-Amer.	12.90 Spot.
	12.50 Dec.
	12.56 Jan.
	12 77 Mar.
	12 99 May.
	13.18 July.

Tone of the market:—*Steady*.

Indian Market:—

Fully Good Bengal, D./J.	213
Fine Oomra, Dec/Jan.	242
Fully Good Broach, A./M.	255

Tone of the market—*Steady*.

Shanghai Market:—

	Tls.
Tungchow, spot ex wharf	31.60
Shanghai, Nov.	29.00
M. Ginned Nov.	29.25
Shensi, No. 1 Spot	29.00
Ningpo, Spot, Ex wharf.	28.00

Tone of the market—*Steady*.

(Continued from page 27)

serve directly in the comprehension of Lee's strategy are omitted, and the main facts are presented in a masterly manner. Starting with an introductory chapter on the Lees of Virginia, the writer passes rapidly through those dealing with General Lee's training as a soldier and the crisis of 1861 to the part played by Lee from the defence of Richmond to his surrender in April 1865. Two aspects of Lee the Soldier stand out in impressive clearness: his determination to do under all circumstances and at all times exactly what he believed to be morally right, and his supreme military genius. "On April 9th, when he learnt that his attempt to drive back Sheridan had failed, he said: 'Then there is nothing left me but to go and see General Grant, and I would rather die a thousand deaths.' . . . To the counsellors who would have him take to the mountains and prolong a useless guerilla warfare, he refused to listen, and to one who said to him, with agony in his heart, 'Oh! General, what will history say of the surrender of the army in the field?' he answered: 'Yes, I know they will say hard things of us: they will not understand how we were overwhelmed by numbers. But that is not the question, Colonel; the question *is*—Is *it* right to surrender this army? If it is right, then I will take all the responsibility.'"

In his concluding chapter on Lee's Place in History, General Maurice has done a truly magnificent piece of biographical summary. After quoting and discussing contemporary and later criticisms of Lee, he proceeds to a comparison of Lee with Wellington. His concluding paragraph reads: "For these reasons then I place Lee as a general above Wellington. 'Read and re-read,' said Napoleon, 'the eighty-eight campaigns of Alexander, Hannibal, Caesar, Gustavus, Turenne, Eugene, and Frederick. Take them as your models, for it is the only means of becoming a great leader, and of mastering the secrets of the art of war.' To that select band of great commanders the name of Robert E. Lee must be added. His exact precedence amongst them I will not attempt to determine, but that they have received him as a soldier worthy of their fellowship, I do not doubt."

H. F. MacNair.

(Continued from page 26)

Kiangsu—Gen. Chang Chung-chang recalled to Tientsin owing to new situation developments and holds conferences with Sun Chuan-fang and Yang Yu-ting, at which Marshal Sun is urged to return to Nanking—Gen Peng Tuh-chuan, Fengtien defense commissioner at Hsuchowfu, Kiangsu, assumed office with his 4th Division; Tenth Division of Fengtien troops under Gen. Chang Tse-ying arrives at Pukow—Strike of Chinese printers at Hankow settled—Peking Cabinet unable to hold meeting owing to Doo's threatened resignation and it is rumored that the Cabinet will be completely reorganized by the Fengtien faction with Koo as Foreign Minister—Fengtien party decides to call its army the "Ankuochun," which carries the meaning, 'Pacification Army for Whole Country',—Admiral Yang Shu-chwang calls meeting of naval officials at Shanghai for purpose of opposing Southern forces and cooperating with Fengtien naval units to be dispatched to Shanghai from Tsingtao—Labor mass meeting in Shanghai protests against reported British loan of £5,000,000 to Fengtien faction—Tientsin report states that Marshal Sun Chuan-fang is really planning to return to Nanking—Strike of Chinese laborers in Japanese concession at Hankow practically settled—United States Government decides to make public the report on the investigation of extraterritoriality in China on Nov. 29—Wellington Koo circulates telegram stating that it is impossible to carry on due to unsettled political situation.

November 29.—Gen. Kung Chao-tung, commander of 29th Brigade of Fukien troops falls back to Foochow as result of pressure of Southern troops; Fukien situation seriously disturbed owing to rumors of deflection of troops to Southern side; Japanese dispatch gunboat to Foochow—Negotiations for conclusion of Sino-Turkish Treaty being conducted in Moscow between Chinese Charge d'Affairs Chen Yen-hsi and Turkish Ambassador, treaty being based upon equality and reciprocity similar to Chinese treaties with Russia, Austria and Germany—Waichiaopu makes public Extraterritorial report—Reorganized Peking cabinet will probably include Koo as Foreign Minister and Pan Fu as Finance Minister—British, American, French, and Japanese Ministers warn China against further loans on Customs revenues—Practically all Chekiang troops formerly under Marshal Sun Chuan-fang removed from Hsuchowfu, Kiangsu, their places being taken by Shantung troops under Gen, Chang Chung-chang—Three Province Association (Kiangsu, Chekiang and Anhwei) hold further meetings in Shanghai to voice protests against sending of Fengtien troops into this area; also protest against proposed Fengtien loan—Mass meeting of 20,000 laborers and students held Shanghai for purpose of protesting against Fengtien troops in Kiangsu.

November 30.—Dr. Wu Lien-teh, chief of the Bureau for the Prevention of Infectuous Diseases in Manchuria, departed from Harbin for Shanghai to attend the meeting of the Japanese Cultural Society—Owing to a new advance of the Kuominchun troops, Marshal Chang Tso-ling has ordered the 17th Cavalry brigade under Gen. Tang Yu-lin to mobilize—Owing to the collapse of the Northern troops the American, British, and Japanese consuls met with Admiral Sah Chen-ping to consider the problem of protecting Foochow—Japanese Navy dispatches gunboat Uji to South China coast to protect Japanese shipping against pirates—British marines landed in British Concession, Hankow for purpose of protecting foreigners against violence in connection with strike agitations—Fengtien forces mobilize in Mukden in connection with Yangtsze campaign and Mukden arsenal working overtime turning out munitions—Chow Er-shen, Peking politician refuses to undertake reorganization of Cabinet and Chen Chien, Fengtien politician expected to undertake task and assume office of Premier; Gen. Yang Yu-ting goes to Mukden for military conference—Kiukiang military conference of Southern leaders decides to advance into Anhwei and Chekiang and to adopt defensive policy in Hupeh—Gen. Liu Hsiang of Szechuen arrives in Hankow for conference with Kuomintang leaders—Gen. Chin Yun-peng announces that he will form the next Cabinet; Gen. Yang Yu-ting attends dinner in honor of Sir Ronald MacLeay, British Minister—Pan Fu, Minister of Finance advances check for $230,000 to pay Peking police and soldiers—Kiukiang report states situation in Tatung, and Anking becoming disturbed but that Wuhu is still quiet—Another conference held in Shanghai participated in by British, Mexican and Dutch Consuls and Dr. V. K. Ting and Hsu Yuan to expedite settlement of Mixed Court issue.

December 1.—Mukden Government announces establishment of Bureau of Fisheries of Three Eastern Provinces, the purpose being to prevent encroachments by Russians—Chang Ching-hai and Hsu Lan-chou sent from Tientsin to Chenchow to negotiate with Marshal Wu regarling cooperation—Gen. Chang Chung-chang returns to Tientsin for another conference with Chang Tso-ling—Gen. Chang Chung-chang notifies Peking of his desire to immediately negotiate the return of Weihtiwei—Chang Tso-ling instructs Wellington Koo Cabinet to remain in office—Shantung authorities announce intentions to levy municipal taxes in Lungkow and Tsinan—Chang Fu-kuei and Teng Yan-ta of Kuomintang staff fly from Canton to Hankow—Canton announces plan to remove capital from Canton to Wuchang on December 5—Marshal Sun definitely decides to return to Nanking—Serious seamen's strike threatened at Hankow—Pan Fu calls meeting of Peking bankersto discuss financial situation—Steamer Shaoshing arrives in Shanghai with military supplies for Gen. Chang Yi's troops in Chekiang—Tsai Yun-pei addresses meeting of Three Province Association pleading for self-government for Kiangsu and urging that Fengtien troops do not enter Kiangsu.

(Continued from page 24)

strike, the purpose being to starve the foreigners out. The plants of the British-American Tobacco Company have practically been closed down as a result of the strike and boycott directed at the tobacco business and in one instance two Americans connected with the British American Tobacco Company and its allied interest, the British Cigarette Company, were held prisoners for more than fourteen hours in the Chinese Bureau of Foreign Affairs by Chinese strikers who attempted to force them to agree to conditions which would have made the future operation of the factories impossible. In this instance the Kuomintang officials in Hankow were themselves unable to control the strikers, the Americans finally being released through the efforts of the American Consul-General, Mr. Lockhart.

Sutcliffe Elected Chairman of Shanghai Tiffin Club

Mr. Sutcliffe of the Bankers Trust Company of New York has been elected Chairman of the Shanghai Tiffin Club an organization with has been in existence in New York for some time, and which is composed of former residents of Shanghai. D. E. Douty, formerly with the International Testing House in Shanghai, is vice-president of the organization. The Shanghai Tiffin Club holds weekly meetings, usually at some hotel or restaurant and visitors from Shanghai are always welcome.

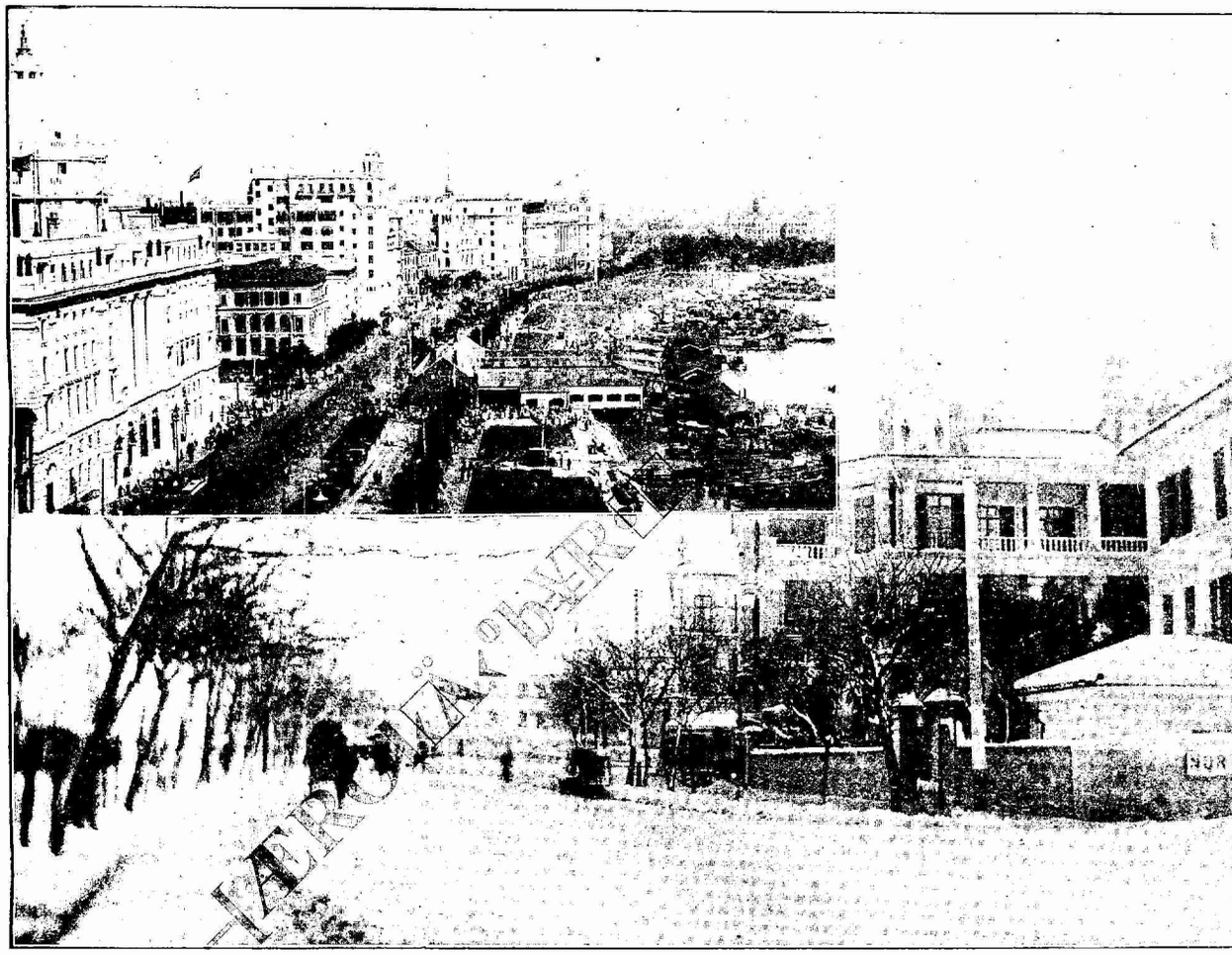
T. Funatsu, former Japanese Consul-General at Shanghai, but now director-general of the Japanese Cotton Mill Owners Association in China, was host at a dinner given at the Majestic Hotel in Shanghai on Wednesday evening, Dec. 2, in honor of Miles Lampson, newly appointed British Minister to China, who is now in Shanghai on his way to Peking. The guests included members of the Consular Body. Addresses were delivered by Mr. Funatsu, Mr. Lampson and Mr. Aall, Consul-General for Norway.

THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

GREATER SHANGHAI



THE BUND IN 1893 AND HOW IT APPEARS TODAY

評論報

ISSUED AS A SUPPLEMENT

OF THE CHINA WEEKLY REVIEW

FOR DEC. 4, 1926

PRICE ONE DOLLAR A COPY

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China

39-031

TAI SHAN BRICK & TILE COMPANY LTD.

THE LARGEST & MOST UP-TO-DATE CERAMIC WORKS IN CHINA

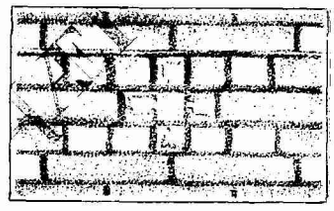
TAI SHAN BRICK & TILE COMPANY, LTD.

MANUFACTURERS OF FACE BRICK, ROOFING TILE,
HOLLOW BRICK, PAVING BLOCK FIRE BRICK, ETC.

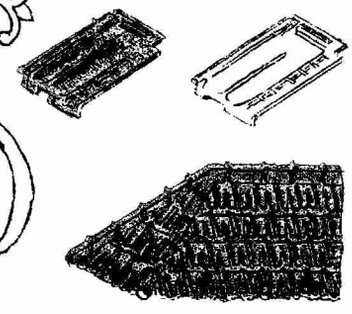
CAPITAL $1.000,000 00

Trade Mark

TAI-SHAN FACE BRICKS



TAI-SHAN ROOFING TILES

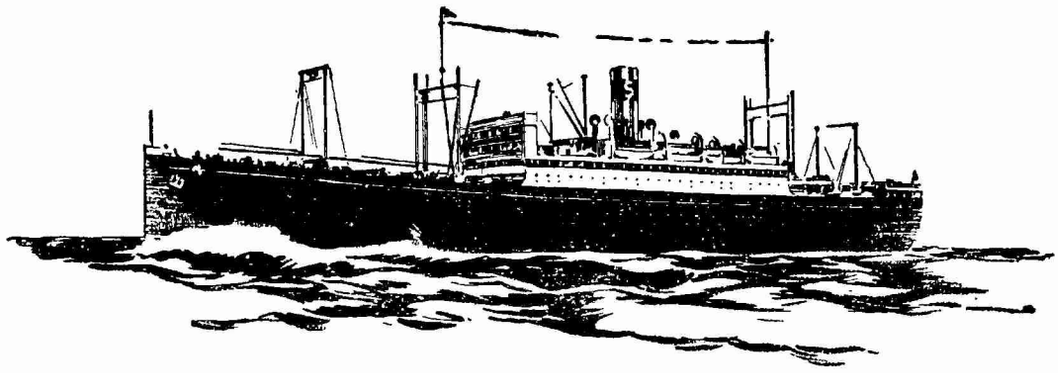


BEAUTY AND ECONOMY IN TAI-SHAN PRODUCTS

WE ARE ALWAYS GLAD TO SEND YOU SAMPLES OF OUR PRODUCTS FREE.

GENERAL OFFCE
421 LLOYD ROAD, SHANGHAI. TEL. C. 4305

FACTORIES
No. 1 KASHAN CHEKIANG.
No. 2 LUNGHWA, SHANGHAI.



The Finest Service —east or west

Dollar "President" Liners

Great oil-burning steamships, notable for speed and steadiness at sea, Dollar "President" Liners offer the most convenient and most commodious service across the Pacific and round-the-world.

President Van Buren
President Hayes
President Polk
President Adams
President Garfield
President Monroe
President Harrison
President Lincoln
President Cleveland
President Pierce
President Taft
President Wilson

Magnificent President Liners sailing South to Hongkong, Manila, thence westward to Singapore, Penang, Colombo, Suez, Port Said, Alexandria, Naples, Genoa, Marseilles, Boston, New York, Havana, the Panama Canal, Los Angeles, San Francisco and Round-the-World. Likewise equally palatial Liners sail east to Kobe, Yokohama, Honolulu and San Francisco, on dependable Fortnightly Schedules.

In either direction enjoy the luxurious appointments, outside rooms with beds, beautiful public rooms, the world famous cuisine and the rare comfort of these great liners.

They are new oil-burners and provide the most convenient schedules in Trans-Pacific and Round-the-World service.

All South Bound liners travel to Manila, each alternate liner continuing Round-the-World on forthnightly schedules.

Dollar Steamship Line

Robert Dollar Building, No. 3 Canton Road, Shanghai.

Yokohama, Tokyo, Kobe, Tientsin, Hankow, Hongkong, Manila and Singapore

39-033

The Chartered Stock and Produce Exchange

Shanghai, Limited

(Corner Szechuen Road and Avenue Edward VII)

Capital

$5,000,000.00

About

200

Brokers

Telephone:

C. 3271

(General Administration)

C. 5501-5520 (20 main lines)
Private Exchange to all Departments

Cable Address:

"Prodstock"

The FIRST and LARGEST Stock and Produce Exchange established by Chinese Capital.

Transactions carried in Stocks, Cotton, Yarn, Gold and Silver, Grains and Oils

Organized to serve the Public through our United Efforts and Knowledge of the above lines

—Board of Directors—

Yu Ya-ching, Chairman

Ven Lang-ding	Sung Shun-yih
Koh Wai-fung	Chow Pay-chen
Woo Yao-ding	Yeh Soh-mei

39-034

密勒氏評論報
THE CHINA WEEKLY
REVIEW
Formerly Millard's Review
中華郵政特准掛號立券之報紙
Registered at the Chinese Post Office as a Newspape for transmission with special marks privileges in China

SHANGHAI, CHINA, SATURDAY, DECEMBER 4, 1926

THE CHINA WEEKLY REVIEW
Formerly Millard's Review
Cable Address "REVIEWING SHANGHAI"
PUBLISHED AT NO. 4 AVENUE EDWARD VII. SHANGHAI CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.
J. B. POWELL, Editor and Publisher
ROBERT H. POWERS, Advertising and Business Manager
LIZEN SCHENG, Assistant Advertising Manager

CONTRIBUTING EDITORS
HOLLINGTON K. TONG, H. F. MACNAIR.
HIN WONG, (Canton) BRUNO SCHWARTZ] (Hankow)
CHAS. A. DAILEY (Peking) PEI-YU CHIEN,
WM. STEPHEN WANG (Tientsin) H. P. SHASTRI

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TEN DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES SEVEN DOLLARS AND FIFTY CENTS U.S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

EDITORIALS Page
The Building of "Greater Shanghai" 1
Shanghai From a Historical Standpoint 2
SPECIAL ARTICLES
New Chapel Waterworks Is Expected to Be Completed by Next Summer 8
Keeping the Melting Pot Cool Is the Chief Problem of International Shanghai
By Hsu Yuan 9
Shanghai Thirty Years Ago—a Retropect and an Optimistic Glimpse Into the Future
By Capt. Robert Dollar 11
Interest In Motion Pictures In China Not Far Behind West
By Luther M. Jee 12
A Consideration of Shanghai Present Day Real Estate...the Position in 1926 with Map Showing Values
By J. S. Potter 13
How Shanghai Influences the World's Prices for Gold and Silver
By E. Kann 15
Great Progress is Evident In Construction Methods In Shanghai Machinery Replacing Man Power
By A Q. Adamson 21
How Greater Shanghai Appears from a Modern Industrial Standpoint
By B. Y. Lee 24
Many Recreation Parks Add Beauty and Provide Breathing ...Space For Shanghai's Growing Population
By Louise B. Wilson 29
Twenty-three Years of the Motor Car In Shanghai Indicate Great Progress
By Verne Dyson 31
The Historic Shanghai May 30 Affair and What Has Happened Since In International Relations
By H.F. MacNair 33
Shanghai..."The Paris of Asia" is a Haven of Pleasure for Thousands of Tourists
By Geo. J. McCarthy 35
Life Insurance In China Presents Many Complicated Problems
By A.J. Hughes 39
Shanghai Department Stores Have Unique History of Their Founding
By David Au 41
Shanghai Needs a Great Increase in the Use of Power Directed Instead of Exerted by Human Beings
By G.W. Philleo 45
Pootung Presents Striking Contrast to Shanghai With its Many Industrial Plants
By Verne Dyson 48
Manufacturing of Hosiery Has Been Stimulated Greatly through Introduction of Machinery
By Tong Younglee 51
Tai Shan Brick and Tile Co., First To Adopt American Process of Manufacture 55
Young China is Deeply Interested In Foreign Books on Biography, History and Science
By Virginia Smith Cowper 57

AMERICAN OFFICE
WORLD WIDE NEWS ASSOCIATION
303 Fifth Avenue, New York City

The Building of "Greater Shanghai"

EIGHTY YEARS AGO Shanghai was of no more consequence than a hundred other towns in China. It was of considerably less consequence than Peking or Canton, both of which were well known abroad, Peking because it was the capital of the Dragon Empire and Canton because it was the center of foreign trade in silks and tea and opium. The word *shanghai* was known in America, but instead of meaning a city, it carried the dictionary definition, "To ship as a sailor when drugged," this definition having its origin in the methods employed by ship-masters in obtaining crews for "clippers" bound for the China coast from Boston, New York or Frisco. Today, Shanghai appears in the trade and political news of the world more frequently than any other city of the Far East because it compares in size, shipping and trade with such world ports as New York, Hamburg, Liverpool, Marsailles, San Francisco and Singapore. To quote recent statistics of the Chinese Maritime Customs the gross trade of Shanghai last year was 1,200,000,000 taels, which is about G. $ 1,000,000,000 or £200,000,000 in English currency. More than one-third of this was foreign import, nearly one-third import from elsewhere in China and the remainder local products. A quarter of a century ago Shanghai's gross trade was only 250,000,000 taels and a half century ago it was only 100,000,000 taels. Shipping has grown from 3,000,000 tons a half century ago to 30,000,000 tons today. When the foreign Settlement was first set apart, in 1843, Shanghai was a little walled mediaeval Chinese town of little consequence to China and of no consequence internationally. Today Shanghai is the most foreign-style metropolis in Asia and covers 12 square miles of territory with approximately 250 miles of modern roads. There are 15 miles of river frontage accommodating the largest Pacific ships. One of the local municipal power plants has a capacity of 150,000 horse power. Although the population of the area which makes up "Greater Shanghai" is not known, it has been estimated anywhere from 2,500,000 to 4,000,000. The value of modern buildings in Shanghai has been estimated at G. $250,000,000.

FROM THE STANDPOINT of magic growth, Shanghai compares with such cities of America as Seattle or Chicago. The reason for the phenominal growth here is easy to explain. Shanghai is situated at the mouth of the great Yangtsze River and thus constitutes the 'gateway to China.' The Yangtsze River is navigable for steam craft for some 1,200 miles and is practically the only means of navigation and transportation for an area of 500,000 square miles containing a population amounting to

about one-tenth of the whole world. Shanghai would have been a great city had there never been a foreigner in the place. It would continue to be a great city even if the foreigners should vacate their modern buildings and go home. Shanghai cannot help being a great city any more than New York, Chicago, New Orleans, or San Francisco can help being great. But the foreigners have helped Shanghai through making it a *modern* great city and their foreign admininistrations supported by gunboats have protected the *greatness* of the city against the forces of anarchy and disorder which have prevailed in China in recent years. Revolutions are no respecters of places or persons, so the calmer-minded Chinese of future days may have grounds for thanking the stubborn foreigners for preserving their greatest city through the period of disorder incident to the revolutionary period.

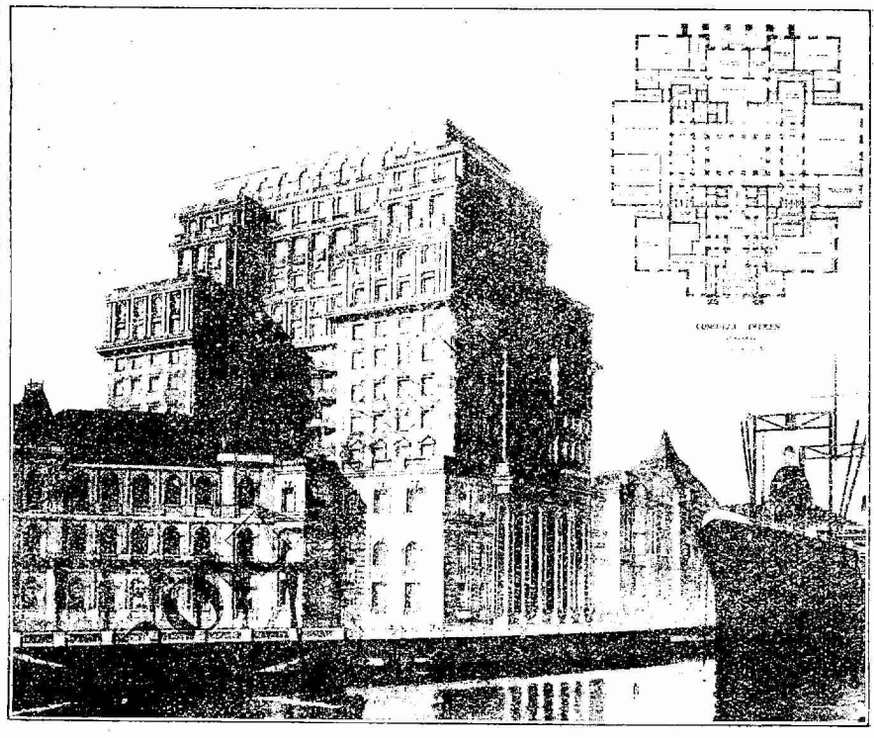
BUT THIS REVOLUTIONARY period in the life of modern China has brought Shanghai to a crisis involving an adjustment of human relationships which is far greater than problems which have been faced by such cities as New York or London in reaching their 'greater' status. From the standpoint of economics the problem of Shanghai in reaching its 'greater' status is little different from the problems which other world cities have had to solve, but when the human factor is introduced such as exists here, there immediately is injected an element which produces a problem unique on the face of the earth. To the student of geography, Shanghai is a spot on the map of the east coast of Asia. But when examined closely it is more than that: it is a conglomerate of spots caused by different and overlapping and conflicting administrations. It's a hodge-podge of East and West, made up of a French Concession, an International Settlement and almost innumerable Chinese administrations. The problem of creating from this hodge-podge of conflicting administrations, a 'Greater Shanghai' is a problem for a modern King Solomon, for only a man of superior wisdom capable of managing a household of a thousand wives could understand the myriads of 'little green devils' responsible for Shanghai's modern troubles. However, since all human problems are solved by time, Shanghai's major problem will likewise be solved by time through the control of the whole place by the Chinese. But common sense would seem to dictate that effort should be exerted to the end that foreign and Chinese genius which has made Shanghai great, might be preserved and utilized, in the 'Greater Shanghai' of the future. Although Shanghai is a vast city of several millions of people and covering an area of twelve square miles of territory, the heart of the city, comprising the International Settlement and French concession are controlled and administered by a mere handful of foreigners. The foreign population of Shanghai is about 40,000, but since the voting franchise is based upon a property qualification, only a Comparatively small number of the foreigners have any voice in the management of the foreign areas. Hence, the municipal councils which administer the foreign controlled areas are not representative bodies; they are not even representative of the foreign residents in the sense that municipal councils in other lands are supposed to be representative, and since the Chinese populations of the foreign settlements have no vote, the situation is an anomalous one and obviously one which could not exist except for the element of force exerted by the foreign naval units and volunteer corps.

Mr. E. S. Cunningham, American Consul General at Shanghai, who as Senior Consul rendered valuable service in the settlement of problems growing out of the troubles of May 30, 1925, especially the question of the rendition of the International Mixed Court.

HOWEVER, the anomalous situation does exist and up to the present the Powesr have shown a disposition to support it. But whether the Powers will continue to support their interests in Shanghai against an ever intensifying Chinese nationalism is extremely questionable. Two important Powers, Russia and Germany, lost their special rights in China as a result of the World War and recently another European nation, Belgium, has lost its rights through China's abrogation of the Sino-Belgian Treaty. No one knows what is to come from the present conversations regarding a revision of the Chinese and Japanese Treaty upon which Japan's special rights in China are based and of still greater significance is the approaching termination of the Sino-French Treaty owing to possible effects upon the future status of the French Concession at Shanghai. Hence this question of a 'Greater Shanghai' is a vital and pressing one that cannot be filed away for future reference, unless it is desired, as suggested in the foregoing, to permit nature to take its course—which means Chinese control, probably under some form of military dictatorship. Shanghai received a tremendous jar as a result of the May 30 incidents of 1925 and as a result many persons in high stations did some serious thinking. The preliminary steps toward the solution of the International Mixed Court problem was a direct result of the May 30 troubles, but further than this nothing else has been done. At the meeting of ratepayers on April 14 of this year, a resolution was passed *offering* the Chinese three seats on the Municipal Council of the International Settlement and *something was said* about the *admission* of Chinese to the foreign parks and recreation places. But nothing has come of these suggestions

and likewise nothing has been done about the status of roads extended by the Settlement authorities into the adjacent Chinese areas. The Municipal Council, by authority somewhat obscure handed the Chinese a sizable check for the purpose of salving ruffled feelings resulting from methods used in putting down the May 30 and ensuing riots, but the Chinese promptly returned the check, thus leaving that question also unsettled. But despite the fact that very little has been done, most persons seem to be of opinion that the community may now forget municipal problems and rest secure in the assumption that the Chinese have been silenced for a few years at least.

IT IS OF COURSE wrong to place entire blame upon the Municipal governing body, when those really responsible, the ratepayers, do not take sufficient interest in what is going on to provide a quorum at ratepayers meetings. Perhaps the trouble is more fundamental still in attempting to govern a vast modern metropolis by a system which used to function smoothely when Shanghai was a village and the foreign residents a mere handfull. It is the way municipal government is conducted at Shanghai today but it is not acceptance of the responsibility delegated to the ratepayers of this city which goes far to explain why conditions surrounding the administrations of the settlements are no better. If we go back to the fundamental law of the International Settlement where all the troubles in the area originate, we find the individual ratepayer endowed with an authority almost unlimited. And during the early years of Shanghai history we find that the ate-payers were prone to use that authority, that there were many hard headed traders in those days who had original ideas as to how their money should be spent and who had no hesitation in expressing those ideas in vivid English. In those early days responsibility was accepted without reserve and the rate-payer who disapproved of the police or the embryonic works department had no qualms about saying so. The council had pretty definite information as to what its electors were thinking about and acted accordingly. Today it is no exaggeration to state that the Shanghai Municipal Council is not representative of the foreign population of Shanghai and that its actions are controlled by a combination of a few wealthy merchants and the local Consular Body. In other words, responsibility for the administration of the International Settlement has passed from the rate-payers. The Land Regulations remain in letter, but in spirit they are obsolete. Together with its French neighbor, the Settlement is actually being directed by a non-representative council under the guidance of a body of consuls to whom is due much of the credit for the progress toward the goal of a better Shanghai which has been made.



One of the tentative plans submitted in the competition for a new American Government building at Shanghai to replace the present buildings occupied by the Consluar authorities and officials of the United States Court. This plan was submitted by Mr. R. A. Curry, Shanghai architect.

WHATEVER the circumstances leading to this loss of authority by the Shanghai rate-payers, it is an accomplished fact, and apparently a step in the right direction, for having through indifference demonstrated their complete inability to so organize themselves into a body politic, it can at least be said of the rate-payers that they have shown little opposition to a tacit assumption of authority by their consular representatives who, in view of the impossibility of conducting the settlements as such for a day longer than the foreign powers are prepared to maintain their fleets in these waters, are the logical parties to bear responsibility for the policies and acts of the municipalities they are bound to defend. But this assumption of consular jurisdiction over the Shanghai Municipal Council especially is as yet in a state of flux. It is still an easy matter for a stubborn municipal officer to embroil the entire foreign community with the Chinese through disinclination to bring himself in line with the times. Under the guise of public need it is easy to work off year old grudges against neighboring Chinees communities, and all other means having failed it seems apparent that sooner or later the Consular Body will have, by one means or another, to assume a more direct control of the actions of the Council in the International Settlement and get it into line with the French Concession whose Consul-General has a direct say throughout the administration and has, in consequence, been able to avoid the complications which have become chronic in the International Settlement. This breakdown in municipal council administration cannot be regarded as a catastrophe, although it is certainly an admission of the incapability of Britishers and Americans to transplant their political systems to the Asiatic continent. In fact, it is rather more than doubtful if the average man who comes to this part of the world wants any longer to bring his municipal trappings with him. The stiffening of trade competition is making it increasingly difficult to find foreign merchants who are able to devote their time to anything outside of their immediate business affairs. Therefore, whether they like it or not, the fact remains that despite the land regulations, the foreign authority in Shanghai has slipped away from the land-holder to the official representatives of the Powers, which probably is fitting since it is the Powers who bear the chief expense for maintaining he system.

TURNING to the other side of the picture, to the several Chinese districts in which, to quote Marshal Sun Chuan-fang, the settlements stand out as islands, we find at one and the same time a situation simpler and yet more complicated. It is simpler in that there is no question as to who has control of the governments of Nantao and the newly created Directorate of Woosung and Shanghai. Control lies in the hands of the ascendant militarist who as these lines are written happens to be Sun Chuan-fang and who may, in a few weeks, be the gentleman already picked for his post by the Cantonese, for, regardless of the political convictions of the men in power, government in China will for a long time continue to be effected by the people with the most troops and residents will have little say in the matter. As is the case at the moment, the situation is simplified by this centralization of control, for regardless of its shortcomings, the current system of Chinese administration has the advantage of providing one man with whom negotiations can be conducted and who can formulate and execute a policy, at least within limits. On the other hand, it is complicated by circumstances not unknown to municipal governments in other lands which, in this instance, have been fairly well obscured under a cloud of well arranged race prejudice and so-called patriotism. The possibility of an extension of foreign influence even,to forget the element of control, will bring into action every dollar and every resource at the command of those who are not novices in the gentle art of manipulating Chinese politics to their own ends. There has been ample proof of the damage which a com-Ract organization can accomplish in the history of Shanghai since May 30 of 1925. It is no situation to be overcome by orthodox methods of political and diplomatic negotiation, for inevitably there arise the old guards of both sides, preferring the status quo with all its risk of the eventual eclipse of Shanghai as a world port to the risk attendant upon the surrender of special position on the one side and a special position on the other, different in their garb but both spelling the same thing, dollars. Speak in foreign circles of submitting to the mildest of Chinese aspirations and there is raised the cry of "traitor to the white race" and let a level headed Chinese suggest a measure of co-operation, he is branded a "running dog of the imperialists," whatever that may be. But underneath all the trappings of government, inarticulate but none the less formidable, are the aspirations of a million and a half of people whose life depends upon trade and who, because of their lack of a vehicle of expression are the more formidable in the long run. A community which can boast merchant princes who twenty years ago were little more than coolies, traders who can weather the storms of civil strife and corruption as have the Chinese businessmen at Shanghai, and a laboring population of an inherent soundness so proof against corruption as to react no more than have the workingmen of Shanghai to silver blandishments during the past two years, can rise above pejudice, can circumvent reaction if it cannot crush it. And so it is with the foreign population. The majority of the foreigners at Shanghai have no cause to be unduly suspicious of their Chinese neighbors. They are indispensible to foreign existence and the usual foreigner has a warm liking for them Lack of personal contact due to the size of the place and its polpglot population is the only reason for no more intimate friendships with Chinese. So, we have here a situation, sound underneath, but complicated by a human equation to an extent sufficient to baffle anyone save men of extraordinary common sense and infinite patience. Evolution over long periods of years change popular sentiment along constructive lines. Revolution over night inevitably brings about disaster.

THE SOLUTION of this city's municipal problems aside from the prospect of early complete Chinese control lies in the creation by mutual consent of a super-government, the germ of which is already to be found at work in several quarters. The Whangpoo Conservancy Board has, over it in an advisory capacity, but still armed with a slight authority, a Consulative Board of representative merchants and others, appointed by their respective legations. It makes its wishes felt in a very obscure manner, depending upon the common sense of the Board rather than upon the law of force to maintain its position and interfering so seldom in the operations of the Board that when it does speak it is listened to with respect. During the past year there have been taking place certain conversations between the representatives of the foreign councils, their consuls and the Chinese authorities. Some of them have been meetings of committees authorized by the various legations concerned. Others have been purely informal gatherings of public officials interested in the common wellfare of the entire community and willing to pool their interests, to lay before one another their problems for settlement along lines of reason. The police authorities of the International Settlement have found that meetings with the Chinese officials entrusted with preservation of order in Chapei have been profitable. Instances have occurred where the native authorities have found it advisable to request the assistance of the foreign municipal bodies in solving certain of their vexatious problems. This is a step in the right direction. It is the first step in an evolutionary process which if followed up will in time bind the district into a solid whole without having to make of it an international incident to be gambled for at the diplomatic poker tables of Peking and a dozen other capitals. The Shanghai problem is of more importance to Shanghai people than to any other body of human beings so that it is only plain common sense to have them solved by Shanghai men. The next forward move suggested in this getting together process is the creation, informally and without written authority nor legal constitution of a general municipal council, it might well be called: a council of senior consular officers, of the heads of the foreign councils and of the Chinesse districts, to agree on certain policies in matters affecting the whole. Police and sanitation naturally come immediately to mind. Light, power and water follow in quick succession. There is much room for co-operation and the formulation of a common policy in these departments of local government and no doubt but that a policy of mutual helpfulness would save no small sums of public monies to all concerned. It requires no sanction of Peking for the French and International municipal governments to announce in company with the Chinese local authorities a common policy on all these subjects and neither is it a move which could bring down the diplomatic wrath of the legations. It is such unvarnished common sense that nobody save 'vested interests' with much to lose by the application of business methods to governments could find an excuse to complain.

FOLLOWING the move above outlined will have to come a clearer understanding of the responsibility of the International Settlement toward Chapei in matters of finance, and here will be found a greater stumbling block to progress than at

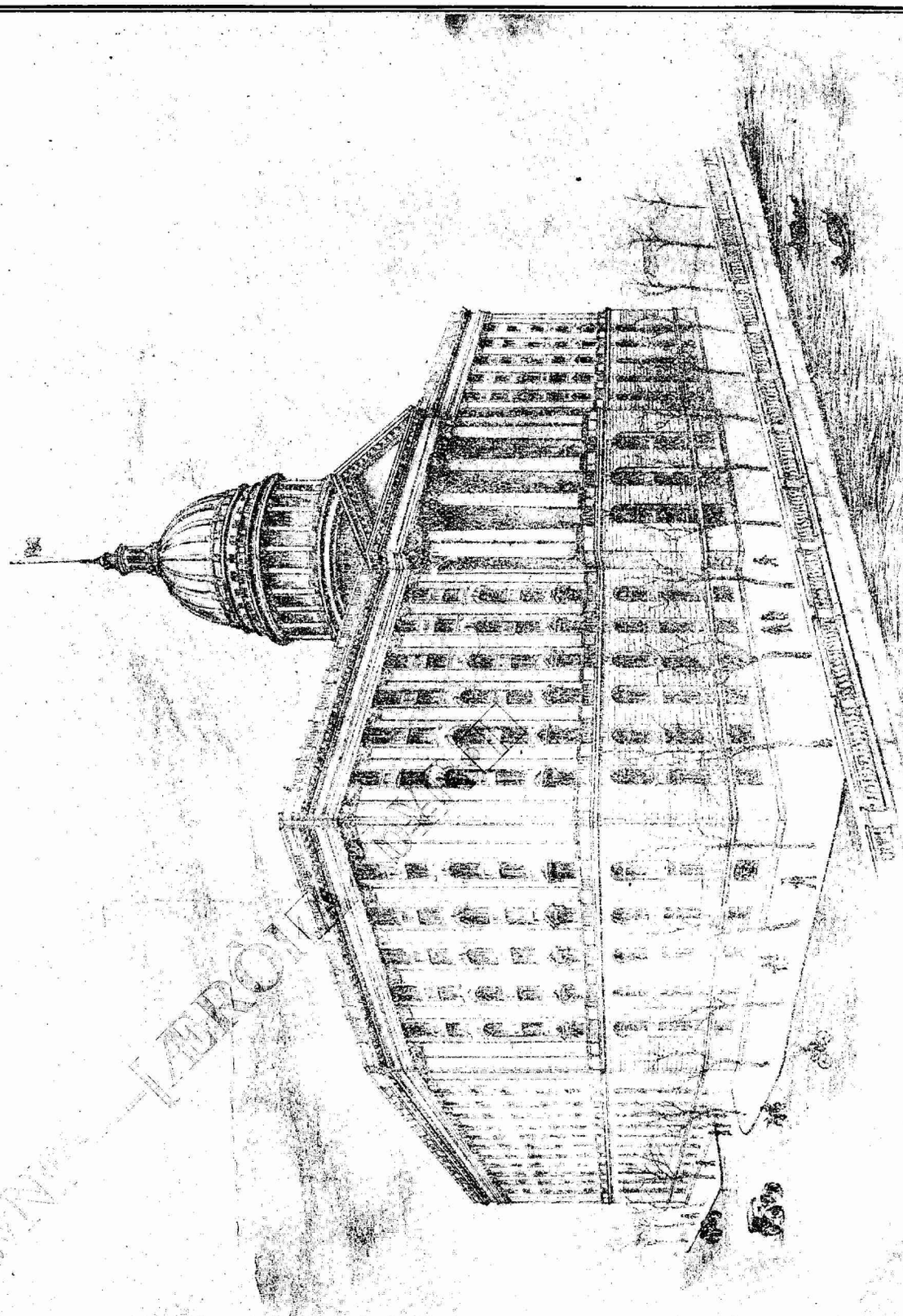
any other point on the road to a reasonable settlement of Shanghai's troubles. It is generally recognized that the International Settlement is the only section of Shanghai capable of producing revenue in any amounts. It is believed that the Chinese director of the Woosung-Shanghai Special Area spoke the truth when he stated the revenues of his district to be about one million dollars per annum. Naturally it was never expected to conduct his government on that small amount of money, the opium squeeze being hoped to make up the deficit, but as has been stated in another paragraph, that source of income has apparently been cut off from the local Chinese authorities, There is no point in railing at this situation. To reiterate a former statement, it must be accepted as a fact that cannot be altered and dealt with along lines of sense. It is better to accept the fact that Shanghai has outgrown the Settlement. Shanghai needs more than the foreign controlled areas in which to do its work and as they stand today the Chinese districts are unsuited to further commercial developments. The condition of the highways alone is proof enough of that. Light, power and water, or roads and bridges, and above all, sanitation is required urgently to make the Chapei districts and Pootung possible of commercial exploitaion. It is a sad commentary upon the viewpoint of foreign authorities when they demolish coolie hovels in the Settlement to force laborers into similar, or worse dwellings outside its boundaries: an attempt to eradicate a plague by shotgun quarantine rather than by the application of medical science. The correct attitude to adopt is one of recognition of the responsibility of the Settlement for its neighboring districts upon which it depends in a large measure for support and which in like manner depend upon it. Being the revenue producer the Settlement should accept that responsibility and take steps to assist the Chinese authorities in a financial way without expectation of returns in direct revenue. Adequate highways in Chapei will of themselves give the Settlement an indirect revenue worth more than the monies which will have to be expended to create them. There is no doubt as to the manner in which such recognition of responsibility would be viewed by the Chinese and there is likewise no doubt but that some of the funds received would be diverted into official bank accounts. But that is bound to happen anywhere on earth so why cavil at it here in China because we come from supposedly Christian countries where squeeze is covered up and when exposed is politely named 'graft' and not considered a crime if it can be gotten away with There is nothing radical in the plan as sketched in the foregoing paragraphs. It seems to have certain elements of common sense which are new to the situation and of the various propositions put forward during the past few months for a solution of the Greater Shanghai problem it seems to have what all the others have lacked, namely, practicality.

Shanghai From a Historical Standpoint

THE EARLY HISTORY of Shanghai is obscure because if we go back far enough we find that the land upon which Shanghai is now located, was not here at all. It is estimated that the Yangtsze River, at the mouth of which Shanghai is located, brings down sufficient silt to extend China's coastline into the sea at the rate of one mile in sixty years. Therefore if we go back far enough, the area about Shanghai was open sea or possibly the bed of the Yangtsze River. Any contractor who puts in a foundation for one of Shanghai's modern 'sky-scrapers' will testify to the accuracy of this statement, for Shanghai stands on nothing more substantial than plain black mud and as we dig down we find the history of the Shanghai district written in successive layers of mud which have been brought down to the coast from the Chinese hinterland. Great changes have taken place in the geology of this section of the China coast and it is posible that the Chinese city of Shanghai was originally the port for the walled city of Soochow which is now about fifty or sixty miles inland. The Huangpu estuary upon which Shanghai is located and which connects the city with the mouth of the Yangtsze at Woosung, ten miles away, was originally a canal. There are records showing that Shanghai was of some importance in the 11th century, but its modern importance from the standpoint of foreign trade dates from the visit here of Lindsay and Gutzlaff in 1832 on the British ship, "Lord Amherst."

TEN YEARS LATER, or in 1842 Shanghai was captured from the Chinese forces by the British and by the Treaty of Nanking was opened to foreign trade on November 17, 1847. The limits of the foreign settlement were fixed by Captain Balfour and correspond with the present streets, Yang-king-pang (Avenue Edward VII,) on the south, Peking Road on the north, the Huangpu on the east and Fukien Road on the west. The Land Regulations, which constitute the charter of the city, were drawn up by Capt. Balfour and the Chinese Tao-tai two years after the signing of the Treaty. The intention was of course that the Settlement, which had been captured by force of arms by the British, should be a British Settlement. But an American Consul spoiled the picture by hoisting an American flag over his house in the Settlement and keeping it up in spite of British and Chinese protests. The American consul claimed equal rights with the British and thus was Shanghai given an 'international' character almost from the beginning, for other foreign consuls came and likewise claimed equal rights. In 1862 the French withdrew from the International Settlement and established their own 'concession'. In June, 1863 the Chinese Government formally granted permission to the Americans to erect residences, business houses and go-downs at Hongkew, just across Soochow Creek and outside the legal limits of the Settlement, but a few months later the Americans in Hongkew, some of whom had established themselves there many years before without formal permission, agreed to the merging of the new area in the International Settlement under the new Land Regulations. The French, however, stood aloof, and still stand aloof, probably much to their present embarassment owing to the early expiration of the Sino-French Treaty.

AMERICAN TRADE relations with Shanghai began almost as early as the British. According to a record in the State Department, the extent of American trade at Shanghai was indicated through the presence in the harbor of 62 ships in the year ending Sept. 30, 1833 with a total tonnage of 41,501, which, in the language of the report, "was greater than the tonnage of the 94 British vessels, which only had a tonnage of 35,610." The first American Consul or Commissioner at Shanghai, Mr. McLane received a salary of $1,000 a year for his judicial services and fees and was forced to "live in



AMERICAN · GOVERNMENT · BUILDING
SHANGHAI ~ CHINA ·
BLACK · WILSON · & COMPANY ·
SHANGHAI.

NEW YORK PUBLIC LIBRARY

a seamen's boarding house." He was dependent upon the British consulate for the services of interpreters. According to Tyler Dennett's excellent history, "Americans in Eastern Asia," those were stirring days in the China ports—uncomfortable for all, and for the Chinese terrifying. Commissioner Humphrey Marshall, for example, in 1853 reported to the State Department, that

> "there are now in this port at least 150 sailors ashore, men of all nations, who go into the Chinese city and drink and riot and brawl, daily and nightly. They presume to defy all laws, because they have tried the jail and find that they cannot be confined in it. No other punishment has been inflcted on them yet besides confinement. They have no money from which to collect a fine. I earnestly request the President to give the authority to lease a lot of ground in this vicinity on which to erect a jail with a yard attached thereto, in which sailors may have air and exercise, and that Congress shall be urged to make an appropriation for the purpose of erecting a jail thereon. The marshal can reside in the tenement and the fines and forfeitures will probably pay for a guard to attend the premises."

Since these were the days of the Taiping Rebellion, the presence of 'these ruffians' added a further complication because they were constantly enlisting in the services of the Taipings or the Imperialists in defiance of the proclamations of the foreign consuls who ordered them to desist. Others engaged in the opium trade and some engaged in the trade of shipping coolies to other lands. We are also told that there was an interesting trade at that time which was known as "convoying." Owing to the Taiping Rebellion and the disorders thus created with the breakdown of government, it was customary for foreigners to sell the use of their flags to native junkmen in order for the junkmen to avoid persecution at the hands of the pirates which swarmed the coast.

THE CREATION of the Open Port at Shanghai brought with it the problem of how the foreigners were to live. In the early days at Cantron the foreigners had all lived together in the restricted area of the 'factories' where each individual or firm, regardless of nationality, rented from the hong merchants who were the owners. Originally the foreigners were not permitted to bring their wives to Canton, but the nearby Portugese settlement at Macao supplied the lack of women which existed at Canton. Under the provisions of the British Treaty, individuals and firms of British nationality were permitted to purchase or lease land, but the American treaty merely stated that the local officers of the two governments, America and China, shall "select, in concert, the sites," for residences, churches, cemeteries and hospitals. The first American resident at Shanghai was Henry G. Wolcott who represented Russell and Company. Wolcott came to Shanghai even before Caleb Cushing of Boston had reached Macao to negotiate the American Treaty. Naturally Wolcott desired to lease a plot of land for a residence and went to the Chinese official or Tao-tai to have the lease sanctioned. The Tao-tai replied that he had already entered into an arrangement with the British Consul, Capt. G. Balfour, that all land within certain boundaries, which included the site which Wolcott desired, was to be leased only through the agency of the British consul. Wolcott then addressed himself to the British consul and was given permission to secure the land on terms similar to the British. In 1845 Wolcott was appointed "Acting American Consul" for Shanghai and it was his American flag which caused the complications for the British Settlement and which finally resulted in the 'international' character of the government. The complications and conflicts of authority at Shanghai continued for several years for we learn that in 1848 the American ship "Montauk" came into conflict with the British port regulations by firing a morning and evening gun. When the British protested the Americans replied that they refused to recognize 'any port regulations' which had not been approved by the Government of the United States. There was also a row between the Americans and the French consul over the insistence of the French Consul that all land leased by foreigners in the French Concession had to be registered at the Franch Consulate. Similar troubles also developed in respect to American land leases in the British area. In the spring of 1852, Mr. Roundy, an American citizen purchased land in the British concession and Mr. Cunningham, the American vice-consul sent it to the Tao-tai for his official seal. The Tao-tai refused and said the deed had to be registered with the British Consul, to which Mr. Cunningham replied that if the Tao-tai didn't sign the deed in forty-eight hours, that all official relations between China and America would be broken off. The Tao-tai signed!

IT WAS OUT of these squabbles between the different foreign residents and their consuls and the Chinese Tao-tai, that the Land Regulations were developed. In May, 1853 the British Consul, Mr. Alcock informed Mr. Cunningham, the American Consul that "Her Majesty's Government have no desire whatever to assert either exclusive rights or jurisdiction over the unappropriated land," and then submitted a code of municipal regulations for the consideration and joint acceptance of the consuls and the Tao-tai. The proposed regulations were discussed pro and con for a consideable time and the American suggestions had a considerable bearing on the final form. For example, the admission of Chinese into the foreign settlement was due entirely to the American Commissioner, Mr. Marshall, who said that the proposed British regulation barring the Chinese was "wholly objectionable as creating invidious distinctions against the Chinese, and exercising exactly the spirit of exclusiveness toward them which we now complain of when exercised toward ourselves. It cannot be sound policy to segregate the populations, and instead of prohibiting the settlement of Chinese among the foreigners, it should be invited... Prejudces will only give way before long-continued pleasant social intercourse, and I anticipate great effect to be produced by inviting the Chinese gentlemen to live among the Americans and the English." As a result of Commissioner Marshall's representations the final regulations provided for the admission of Chinese and although their presence did not always add to the comfort of the 'exclusive' foreigners, it cannot be denied that the modern city thus created and governed has exercised a profound influence on China, just as the American commissioner predicted. The most significant feature of the land regulations was the definite and repeated acknowledgement of the Chinese as "lords of the soil,' or in other words, Chinese sovereign rights to the land. The Chinese Government was always to receive a small annual tax, and deeds to be legal, had to be sealed by the Chinese authorities. In Marshall's report to Secretary of State, Mr. Marcy, he said: *"I have no kind of doubt that Shanghai is destined to become the greatest city of Eastern Asia, and most intimately of all connected with America."*

THE SETTLEMENT of the land question at Shanghai was of profoundest importance in the international relations of China for the American participation and voice in the shaping of the final terms gave opportunity for the development of American policy toward China as well as toward the other Powers. The land regulations at Shanghai, as finally reported to the Secretary of State of the United States and to the other nations, definitely renounced the pretentions previously set up by Great Britain and France to the exclusive enjoyment of certain concessions made to them respectively by the local authorities of China and as a result all foreigners under the jurisdiction of their respective consuls enjoy the same privileges and make it impossible for any foreign power to obtain an undue ascendency. The concurrent and joint action of the consuls and the local authorities of China, as provided in the land regulations, thus establish a fundmental basis on which the rights and privileges of all are firmly established. Only one further word is necessary: The land regulations in the International Settlement and the French Concession were originally similar from the standpoint of the local municipal government through a Municipal Council elected by the ratepayers. But when the French withdrew and established their own Concession they put in a clause giving the Consul the right of veto in respect to the actions of the Municipal Council. This was not done in the International Settlement and the Council was supreme, hence a source of trouble in the intervening years. When the Settlement was young and the number of foreign ratepayers small the Council was a representative body, and enjoyed the respect of all, ratepayers as well as consuls. But now, in view of the tremendous growth of the city, the early town-meeting method of voting on municipal questions has become obsolete and the Municipal Council, as a result has become unrepresentative, witness the continued failure of the Council to obtain quorums at annual meetings. This is naturally leading to the gradual assumption of power by the Consular Body, similar to the situation which has always been in existence in the French Concession, a matter which has been more full discussed in this issue of *The Review* under the heading, "The Building of Greater Shanghai."

New Chapei Waterworks Is Expected to Be Completed by Next Summer

Construction of a new Chapei Waterworks Station has been underway for the last three months on an area of 150 mow of land located near Hsing Kai Chiang on Chung Kung Road, some five miles southeast of Woosung. The plant which is expected to be completed next summer will produce 10 million gallons of water per day and will be the most modern waterworks in the Orient.

The demand for water from the Chapei district, which has an estimated population of 30,000, has for a long time been greater than the present waterworks could supply. With the average per capita use of water being twenty gallons a day, the whole population uses some 6 million gallons in the course of twenty-four hours.

The existing plant produces 4 million gallons every day, and one and one-half million gallons are purchased daily from the Settlement waterworks. The present source for the Chapei pumps is the worst obtainable coming from Soochow Creek which is used mostly as a dumping ground for factory refuse and sewage. Nevertheless, the management is doing its very best to improve its quality and to speed the completion of the new plant.

The source of raw supply for the new waterworks will be the Whangpoo River. There the silt as compared with the upper reaches of the river appears to be a little coarser and consequently easier to precipitate. Filtration and removal of suspended matters is the most important part in a waterworks. Instead of the old, slow sand-system, a battery of six mechanical filters or rapid filters capable of producing 10 million gallons per day will be installed.

General arrangement of the plant has been divided into four essential steps; namely, (1) the coagulating and settling basin; (2) the filters; (3) the clear water reservoir; (4) chlorination.

In the process of coagulation, sulphate of alumina is used as the coagulant. The chemical is introduced into the raw water through a dry feeding machine at the head of the coagulating basin. The amount used in the process is dependent upon the conditions of the source, but generally range from one to three grains per gallon.

Six rectangular gravity filters each 15 x 32½ feet arranged in two rows of three each constitute the rapid filters. After a continous settling, the water is lead into the rapid filters where it is filtered. Its first passage is through a layer of fine gravel about 18 inches or more in thickness. The clear filtrate obtained is then run into the clear water reservoir under the rapid filters. Whenever the filters need washing, a reverse current of clear water is turned on through the bottom valves, loosening up the entire depth of sand and causing the wash water with its contained dirt to overflow the rim of the draining gutter and thence to pass to the sewer.

From the rapid filter, the water is stored in the "clean water reservoir" built under the rapid filter with a capacity of 2,640,000 gallons. It is used as reserve and also provides for fire emergency.

Chlorination is the final process before the water is ready for distribution. The clear water from the reservoir is passed into a well where a calculated amount of liquid chlorine is added and mixed before pumping into the main for use of the consumers. The chlorine water is pumped through a 36" main with a pressure of 100 pounds per square inch by means of 800 horsepower centrifugal pumps. The distance of the main is a little over seven miles. The old plant will be altered and used as a reservoir for the extreme western district.

Keeping the Melting Pot Cool Is the Chief Problem of International Shanghai

By Hsu Yuan

THE so-called May Thirtieth Affair of last year opened a new chapter in the annals of Sino-foreign relations in Shanghai. It struck a new note, at once consonant and resonant, in the ears of all who have been working toward a better and greater Shanghai. From that date the relations between the Consular Body, on the one hand, and the Chinese authorities, on the other, have concerned less with questions of special privileges and long-vested rights than with practical solutions for an amicable settlement of all outstanding disputes which would satisfy Chinese public opinion and at the same time prove agreeable to the Powers. It is no longer in the problems of defining or insisting upon treaty provisions, or in the attempt of extending concessional jurisdiction and the prevention of such but in the question of the rendition of the Mixed Court and in the reciprocity of privileges that the Consular body and the Chinese authorities are finding the center of gravity of their negotiations.

The history of Shanghai from its first contact with the Powers to the present covers but a short period compared with the history of China. Its development, however, has been unusually rapid. From a small and almost unknown town, though favorably situated on the coast at the mouth of China's greatest waterway, it has grown, within three-quarters of one century, into a great metropolis of the East. In view of its composite population today, perhaps it is not too presumptuous to compare it to New York or London. Perhaps, too, one might call it "the melting pot" of the Orient.

Hsu Yuan, Commissioner of Foreign Affairs, Kiangsu

許沅字秋颿

Certainly many men and women in Shanghai are foreigners. Many others were either born abroad or born here of foreign parents. Probably one finds here more foreign peoples than in any other port of equal size. Such is the make-up of China's greatest seaport which is rapidly developing into a still greater city, and it is with this rapidly growing city of such composite nature that the Chinese and foreign authorities find themselves engaged in the solution of its many intricate problems.

For, here in Shanghai, we meet each other on almost any conceivable ground. In society, in business, in politics, in all other fields of human activity, we come face to face at one time or another, and, regardless of our wishes to the contrary and our desire to avoid entanglements with other people, we find ourselves too closely related to break off connections at will. Much to our surprise, we find it impossible to maintain and adhere to a social Monroe Doctrine.

Therefore, from the standpoint of foreign relations Shanghai presents an unusually delicate and often puzzling problem. Not that it is difficult to find solutions to all questions of foreign relations: the variety of cases, shading into one another, necessitating various modes of precedure, and consequently resulting in different decisions, often are not easily understood by those not well-informed. Misunderstanding leads to suspicion; suspicion, to dislike; dislike to friction. There seems no end of trouble to those who wish to see an amicable settlement of all matters.

And, unfortunately for us, our difficulties are manifold. We are not in the same position as other governments are in their jurisdiction over foreign nationals Rather, we find in our midst a large group of foreign population who remain out of our control. Ever since the establishment of the Settlement we have been obliged to leave them under the jurisdiction of their consular courts or the Settlement authorities. Even those cases in which Chinese citizens are involved must appear before foreign tribunals. To the Chinese public opinion this system greatly impairs our national honor and prestige; for it not only serves as a constant reminder of Chinese incapacity for efficient government, but also makes the foreigner forever skeptical of his chance to obtain justice and a square deal from the Chinese courts.

We are further handicapped by the popular belief that our legal system and laws are very different from those of the Occidental countries, and consequently they cannot be applied to the Western people with any degree of fairness. Our judges, too, were thought to be more or less pre-prejudiced against all foreigners and could not be expected to hand down their decisions judiciously.

Finally, on top of all this, we have been, and still are, suffering from internal unrest and a general political chaos. Our central government has not been able to function as effectively as it might, and since our greatest opportunity lies in the existence of a central government with authority over the country, we are constantly hampered by lack of proper channels through which our national aspirations can be realized.

Such is our dilemma. But, just the same, we are expected to perform our functions to the satisfaction

of all concerned. It is an extremely difficult task, to say the least; for, on the one hand, one is constantly impressed by the growing national consciousness on the part of the Chinese people which expresses itself in the persistent demand for assertion of our national rights and the recognition of absolute sovereignty in all matters, while, on the other, the burden of numerous obligations committed in the past well-nigh makes any move for self-assertion impossible.

And now commences the new and. to all of us here in this city, most important movement for a greater Shanghai: a Shanghai in which we all should live together as neighbors and friends in spite of our differences and difficulties.

Marshal Sun Chuan-fang

Who, as Tupan of the Five Southeastern Provinces, was responsible for the establishment of the Special Shanghai-Woosung Administrative District.

Must Create Spirit of Harmony

This, of course, is not impossible when we all realize that only good-will and sincerity can bring about the spirit of harmony and mutual respect which is so essential to the welfare of such a Greater Shanghai as we are hoping to develop. It will be for us not only to expand the territory and to derive from it as much material benefit as possible, but also for us to arrive at a better understanding between each other and to strengthen our bonds of friendship. It will be for us to work together with the ultimate motive of bringing all different elements under one control, to unite the various governmental agencies of all Shanghai into one efficient central Chinese authority without in the least incurring any loss to those who have been able to enjoy prosperity and security in the Settlements. In short, it will be for us to make Greater Shanghai a worthy example of international good-will and international co-operation.

Fortunately for us, at the present moment all developments seem to point to such a happy conclusion. One has only to watch the signs to be convinced that the new era of friendship and co-operation has started most auspiciously. With the Consular body in such a frame of mind as it finds itself today, and with the Chinese authorities in possession of a very clear conception of what should be done and can be done, it is not too much to expect the completion of a satisfactory and workable program for the administration of a great municipality in the immediate future.

Mixed Court-a Significent Step

Perhaps the most. significant step, taken by the Powers in their effort to adapt themselves to present Chinese tendencies, is the negotiations for the rendition of the Mixed Court. The time has not yet arrived for a public announcement of the details of the agreement, suffice it to say that a satisfactory compromise has been reached which will temporarily meet with Chinese public approval and at the same time provide for an efficient tribunal under Chinese jurisdiction. This is the most encouraging sign of the new era of friendship. It unmistakably indicates the general trend of thought of the responsible authorities; for it is not the conception of one single brain, rather, it is the consummation of the thoughts an l convictions of the forward-looking officials. It is the beginning of Sino-foreign co-operation which will be one of the most important factors in the successful development of a Greater Shanghai.

Of the greatest physical importance and immediate necessity to such a scheme of development, however, is, perhaps, the development of the harbor forwhich the Chinese authorities are well aware of their responsibility and are sure to devote much attention to it, since the general direction of expansion will be toward Woosung. One almost insuperable khindrance to our plan of development is the lac of funds for building roads in this territory; for without good roads, no growth of the city can be expected. This accounts for the fact that slight progress has been made in this direction. However, we are determined upon developing this area into a commercial and industrial center and are doing all we can to bring our plan to realization.

Need Geographical Union of the Two Cities

Discussions are also in progress concerning other important matters upon the satisfactory settlement of which hinges the welfare of Greater Shanghai. Among the more important of these may be mentioned the question of extra-concessional roads. A very serious impediment to effective Chinese municipal government is the lack of geographical unity of the Chinese territory surrounding the Settlement. The Concessions form an arm, cutting the Chinese area into two halves. Chinese municipal administration cannot attain any degree of efficiency without a geographical union of the two cities. However, the Powers concerned in agreeing to negotiate with regard to extra-concessional roads seem to have realized that unless the Chinese authorities can effect a geographical union of the separated territories it will be futile to talk of effective Chinese municipal administration. On this point, the Powers cannot fail to appreciate the reasonableness of our contentions and we should be able to reach a satisfactory conclusion. Thus far, the good-will of all negotiators has justified our hope of close co-operation.

As has been said before, and it cannot be told too often, in the development of a Greater Shanghai, international good-will and friendly co-operation will contribute more to the welfare and benefit of all concerned than the increase in trade and the enlargement of the port. Recent developments in local Sino-foreign relations have been characterized by a sincerity of purpose and mutual respect, and one cannot be too optimistic of the future.

Shanghai Thirty Years Ago—a Retrospect and an Optimistic Glimpse Into the Future

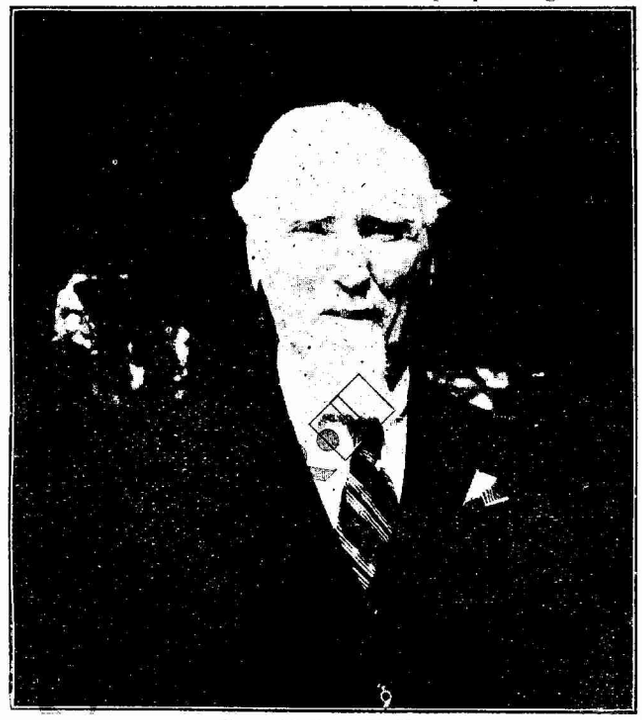
By Capt. Robert Dollar

ON my last trip to China, and seeing the tremendous progress that has been made, caused me to think back some thirty years, and I tried to remember what Shanghai was at that time. In doing that I found the change so radical and so great that I had great difficulty to realize what had taken place in that short time.

The foreign trade of Shanghai at that time was quite insignificant. All large size ships, and some of the smaller ships, had to lie to anchor at Woosung, their cargo being lightered up the narrow crooked river. Shanghai, at that time, was a place only for the river and local steamers and junks, principally the latter. The real business that sustained them was practically all local business.

My recollection is that the population was about half a million. Of this I am not sure. The population today, of Shanghai and surrounding villages, is probably not less than two and half millions.

Now what do we find? A splendid, practically straight channel, developed from what was called the Junk Channel in the old days. The narrow crooked channel of the old days has been abandoned and closed up, and the biggest ships sailing the ocean can come right into the city of Shanghai, our large passenger steamers going up to our wharf opposite the Kiangan Dock.



Capt. Robert Dollar
"The Grand Old Man Of The Pacific"

In the old days all of this was considered so much of an impossibility that it was not thought it could done. So we must appreciate fully the great work that has been done. But there is lots yet to be done, and I was very much pleased to know that earnest, sincere work is going on for the betterment of the harbor such as removing buoys out of the fairway, and various other improvements. Much remains to be done, but when we think that 30 years ago the great harbor of Shanghai was non-existent for large sized steamers, and see what has been accomplished, see the rows of big ocean-going vessels from end to end of the harbor, then try to think what this harbor will be in 30 years hence.

I am frank to say that it goes so completely beyond my comprehension that I fail to grasp the situation.

It may be asked, why should we expect so great a change to take place? The answer is very plain. Shanghai is at the mouth of the Yangtsze River. On the Yangtsze River, and its tributaries one-eighth of the human family live. Of that number I am quite safe in saying, far less than ten per cent of them have any interest, or participation in foreign trade. What will happen when the rest are awakened, and they will be awakened just as soon as the soldiers can be driven out of the country. The soldiers are holding the country back, and doing absolutely no good.

Just think of the Province of Szechwan alone, with its 40,000,000 inhabitants, being practically cut off from the rest of the world by the Gorges of the Yangtsze River, and think what that fine great agricultural Province, which is as big as the German Republic, and producing everything that mankind requires. The same is true of all the other Provinces along this great River. I claim that one of the greatest centers for the manufacture of iron and steel is going to be on the Yangtsze River. Lots of other minerals are also abundant. Coal has been found all through this great region. All this is going to center in Shanghai. Some people might think that the time is far away. I don't think so. If peace could only be secured, and the soldiers put to other employment than tramping through the country ruining the population, or taking from the population all the money they have, what a change would take place!

Then take manufacturing in Shanghai. All one has to do is to drive around and see the enormous number of smokestacks visible all over the city. If anyone is skeptical on this point, let him drive along Soochow Creek and down Yangtsze Poo Road. I think that would convince him of the great importance of the manufacturing that is going on. Some may think I am over sanguine, but thinking backward I claim that my thoughts were never able to keep up with the gigantic progress that has been made in this wonderful center of activities. As proof of what has been going on, take the entrances and clearances of the big seaports of the world. New York stood at the top of the list with a good big margin. Shanghai came next, Hongkong, third, London, fourth, and Liverpool fifth. I think that gives a better indication than anything else that could be said as to what is actually taking place.

In olden times there were a few buildings that could be called such. Two and three story buildings. As compared with the buildings of to-day they would be called shacks. However, most of them have disappeared. They have been torn down and fine new buildings erected in their stead. As an example, look at the Hongkong and Shanghai Bank; one of the finest bank buildings in the world. Other banks also have fine buildings. See the splendid building being erected for the Customs. So that strangers coming in by boat to Shanghai, and seeing the display of large modern, up-to-date buildings along the Bund cannot help but be surprised beyond measure. Streets are being made on the outskirts of the old city, wide and well paved, and fit for automobile travel. A splendid

spirit of progress is in evidence in the widening of the streets. No building can be torn down and now a new one erected without widening the street, which is a splendid thing. Formerly the streets were designed for the use of ricshaws or wheelbarrows. Now they have to be used by the passenger automobiles and the modern up to date freight trucks. I was very much surprised to be able to take a 30 mile drive out in the country with an automobile. The number of automobiles in use in Shanghai would surprise anyone seeing that no roads existed outside of the city until just a short time ago. This shows what the automobile is doing for Shanghai, and the day is coming when great automobile highways will be constructed in many different parts of China, which will open up China as no railroad has ever been able to do.

Looking further afield as to why Shanghai is occupying such a prominent position in the world's commerce. The Panama Canal has opened up the Pacific so fast that we are all surprised at what is going on. Some 18 or 20 years ago I predicted that the center of the world's trade would beultimately shifted from the Atlantic Ocean to the Paicfic. Now, all of us can see it coming far more rapidly than any of us had any idea. The progress that is being made along the American Pacific Coast exceeds all our ideas of progress, and that coast fronting right oppposite Shanghai shows what we can expect inasmuch as the progress is as great on one side of the ocean as on the other. Both sides are profiting tremenduously and equally in the great advancement that is being made in the world's trade on this great ocean.

I feel quite confident that the great development in the world's trade is going to center in China in the next few years. In Europe trade is well developed. Japan has developed her trade very well. In China lies a vast country undeveloped to trade and commerce except for local consumption. So, I feel confident in predicting that the great development in the world in years to come is going to be in China.

Interest in Motion Pictures in China Not Far Behind West

By Luther M. Jee

ABOUT eighteen or twenty years ago, a few enterprising foreigners introduced motion picture exhibitions at Hongkong and Shanghai. Those were the days of one-reel thrillers, such as "The Great Train Robbery", "The Girl and the Outlaw", "Balked at the Altar", etc.

But in spite of the crudeness, the new form of entertainment caught on in the Far East, much in the same manner as it did in the West. Gradually, the pioneers of the industry brought out serials or chapter plays, filled with dare-devil stunts and hair-raising episodes. About six or seven years ago, the so-called feature film, a complete story in five or more reels, was introduced. And today, the up-to-date theatres throughout China are presenting to the public, motion picture attractions of the greatest artists, produced by the leading studios from all over the world. To be sure, in China as in every other foreign market, American photoplays predominate, yet the best of the English, German, French and Italian films find a ready market. It has been estimated that about four hundred and fifty feature films were imported into China during 1925, out of which, fully ninety per cent were American product.

Increase of Chinese Patrons

Not only have motion pictures gained favor among the foreign population residing in the port cities, but an increasing number of patrons is found among the Chinese. In fact, the future expansion of the industry will largely, if not entirely depend upon the establishment and operation of theatres in the innumerable cities and towns in the interior catering exclusively to the native population. In the past and at present, expansion is impossible on account of the disturbed political conditions. Nevertheless, the industry will not develop, like it has in foreign lands, until a liking to pictures is cultivated among the vast masses in the whole of China.

The Chinese in the port cities have proven that they are fond of, and take to this form of amusement. In the theatres of Shanghai, Chinese patrons constitute from thirty to seventy per cent of the audience. In Peking, they are ninety per cent or more of the whole. Men and women, especially those of the younger generation, and children are quickly and steadily being converted into movie fans. Comedies and elaborate costume productions seem to enjoy the widest appeal. Among the favorite American stars are: Norma Talmadge, Harold Lloyd, Constance Talmadge, Colleen Moore, Charlie Chaplin, Corinne Griffith, Douglas Fairbanks, Jackie Coogan, Milton Sills, Richard Barthelmess, and Reginald Denny.

Chinese Begin Making Films

The possibilities of motion picture entertainment were very early appreciated by various enterprising Chinese. But the field was not exploited until about six years ago. About 1921, two or three small concerns were formed for the purpose of making pictures with Chinese talent. Since that date, approximately one hundred and sixty-four companies have been organized in the various parts of the Republic. Shanghai is the home of a vast majority, while Canton, Hongkong, Tientsin and Peking are the scenes of activity of a few of the producing companies. Out of these one hundred and sixty-four companies, only fifty-three have produced pictures, while only about thirty-one are now active. Thus the mortality of failures is very great. Mr. J. D. Williams of the British National Pictures, Ltd,, recently stated that "it is true seventy-five per cent of the British producers have failed, but the same is true of America." It would seem therefore, that the industry is running true to form in China.

Production in China is at present passing through a stabilizing period. Fly-by-night concerns, with little or no capital, are being eliminated. Weaker producers are being absorbed and consolidated with the stronger. So in future, we may see in China, a few large companies, similar to, but on a smaller scale, to the "Big Three" in America, namely, "First National", "Famous Players-Lasky Corporation", and "Metro-Goldwyn-Mayer".

In the three years, from 1921 to 1923, only six pictures were produced in China, In 1924, fourteen productions were made and released, or more than twice the number produced in the preceding three years! In 1925, thirty-seven productions were made, which is two and a half times the number of 1924! In the eight months of 1926, ending on August 31st, forty-five pictures have already been completed. Fully a dozen more will be ready for exhibition before

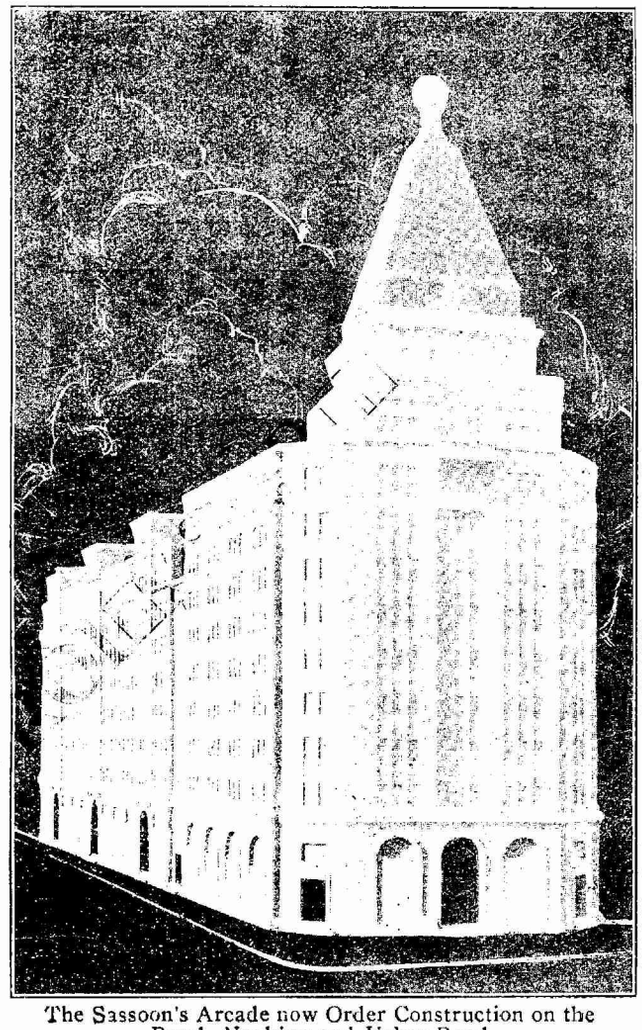
(*Continued on page 81*)

A Consideration of Shanghai Present Day Real Estate—the Position in 1926

By J. S. Potter

THE subject "Greater Shanghai" at once suggests the material growth of the city, and the development of its real estate along those lines which make up the life of the greater city, irrespective of political boundaries. Politically, Greater Shanghai is a patchwork of supposedly conflicting interests; in reality, it is a great commercial, financial, industrial shipping metropolis, rapidly expanding and easily surmounting the political and social problems which seem from time to time to threaten. Recenty a definite advance in the political administration of Greater Shanghai was made by the Chinese in the consolidation of the populations lying about the Settlements into one administrative district; so that now the affairs of Greater Shanghai lie in the hands of three bodies—the two Settlements and the Chinese administration. This is a logical step, but a far cry from that metropolis which would place the entire urban area including, Woosung, under one political control, the City of Greater Shanghai.

In real estate, Shanghai has always been behind the other large cities of the world in land values, building costs, real estate development, and in architectural accomplishments and modern conveniences. We still see about us proofs of the tardiness with which Shanghai has adopted the modern requirements of other cities. It is pleasing to record, however, the rapid advance of the past few years in building developments really becoming to the city which is the metropolis of this continent.



The Sassoon's Arcade now Order Construction on the Bund, Nanking and Jinkee Road

New Building Work

The past year has witnessed its full share of real estate development, new buildings which touch all phases of the city's life, land transactions which add new and interesting conditions to the city's real estate position, increases in land values which have surprised many, contests between conflicting interests rising out of the expansion of the city, and a new understanding of the conditions under which people, particularly the Chinese, live, which is bound to have a far-reaching effect on the future of Shanghai; if not of China.

Among the new developments which more definitely concern the public, we have the new Custom House, now well under way on the Bund; the Splendid new Country Hospital, located in the open district to the west; the new foreign Y. M. C. A. building under construction on Bubbling Well Road; the new improved Paulun Hospital on Burkhill Road; the central unit of the Columbia Country Club on Great Western Road, which will more than double the facilities of that institution; the Central Fire Station, the Western Telephone Exchange, the new Methodist Church, the hospital of the Seventh Day Adventists on the Rubicon, the Synagogue on Museum Road, and the permanent home of the Kwang Hua University in the west. A project of interest the International Settlement is that of the new Town Hall, to follow upon the sale of the old Nanking Road premises. We have also to mention the completion of the splendid edifice for the Cercle Sportif Français on Avenue Joffre, and the very extensive building work which the Shanghai Race Club has been carrying on in the Western District.

New Building Features

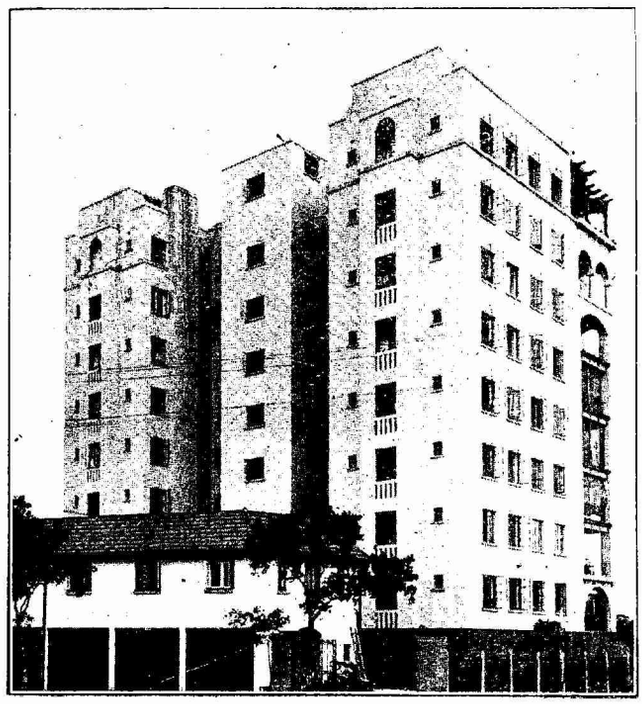
Among the commercial buildings, the outstanding event of the past year was the launching of the work on the Sassoon's Arcade on the Bund between Nanking and Jinkee Roads. This project will present features entirely new to Shanghai; at the same time the undertaking gives opportunity for straightening out the eastern end of Nanking Road and widening the street as it should be, fulfilling hopes long entertained by the Council and the public. Other commercial buildings include the Sun Sun Department Store, completed during the year past, the new buildings for the Bank of East Asia and the China and South Seas Bank, the new Benjamin building on Kiukiang Road, the Shahmoon building at the corner of Soochow and Museum Roads, which will embrace a theatre along with offices and apartments, the new building for the Bank of Taiwan nearing completion on the Bund, and numbers of others, both Chinese and foreign, along a dozen of the City's leading business streets.

Significant Apartment Construction

Very significant indeed is the record of apartment construction for the past year, including the China United Apartments, with offices and shops, on Bubbling Well Road, the West Park Mansion in Jessfield, the I. S. S. Apartment Building at the end of Avenue Joffre, the Park Apartments on Route Lafayette, the Wing On Apartments on Bubbling Well Road, and a

goodly number of other apartment buildings. The extension of apartment dwelling is one of the signs of the times which will be discussed more at lenght below.

Foreign residences have been springing up in large numbers, particularly in the Western portion of the city, and in the North. It is notable that hundreds of houses, single and in groups, are being added yearly to the city's facilities beyond the Concession boundaries to the West and North. Immense compounds of foreign houses are taking form throughout the length of Yuyuen Road. The Northern section, particularly in the neighborhood of Scott Road, is rapidly filling up with long terraces of modern



West Park Mansion Apartment Building near Jessfield Park

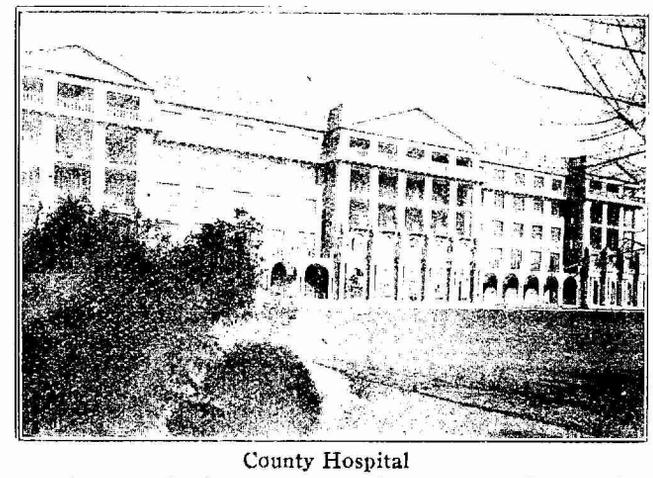
homes. Along many of the streets, particularly of the Northern District, rows of old obsolete houses are being torn down or remodeled to make way for shops and other forms of living quarters. Foreign and Chinese shops and dwellings have been reaching out the main thoroughfares to accommodate the increasing population. In the far Hungjao district, particularly, we find increasing numbers of splendid residential estates, a situation which cannot but impress upon the mind that with the extension of the city's public utilities to that outlying section, with good roads and our present methods of rapid transit, such a district lying less than thirty minutes from the Bund must more and more appeal to those who wish to continue to live in houses rather than in apartments.

Height of Office Buildings

That this new development is in every respect modern and up to date goes without saying. One might mention, however, the notable tendency of office buildings and apartment houses to creep up higher and higher, taking full advantage of every opportunity offered, such as a street widening, to attain the maximum height permitted by the city. With the study which our architects and engineers have given the question, it is now conceded that it would be quite practical and economical from the investors' point of view to have buildings rise as high as sixteen or eighteen stories. At this point, however, we come upon the problem which many cities particularly in the United States are struggling to solve, that of the overcrowding of streets due to the increasing numbers of people accommodated in tall buildings. It is patently impossible to continue widening the streets to meet new conditions. This then becomes a traffic problem, and one which may result in further restriction as to the height of buildings. Such a move would of course have a very important effect upon the income derivable from a certain location. It might bring about a definite upward tendency in office rents, which business could easily afford. While the business section of the city is bound to grow, and would expand more rapidly towards the west under such additional height restrictions, there is a tendency on the part of business concerns generally to locate as close as possible to the center of the business district, and rents would respond accordingly.

Real Estate Transactions

It may be surprising to those who have looked with extreme pessimism on May 30th, 1925, and what might result therefrom to know that, while there was a slowing up in real estate transactions during the summer and fall of 1925, this condition quickly changed and the year 1926 has actually shown a buyer's market. Book records which have been kept by real estate offices as to the number of inquiries for real estate purchase, as compared with offers to sell, indicate that while prospect buyers probably exceeded sellers somewhat up to May 30th, there was after that date a prompt change; for several months the opposite condition obtained, and it was not until the beginning of 1926 that the two lines again crossed and prospective purchasers exceeded the sellers by a substantial margin. This has been the situation throughout 1926, notwithstanding the fears of disturbance during the summer and early fall. Throughout all of this period of reserve, there was no stampede on the part of anybody to sell. Property owners simply sat tight and waited to see what would happen, and when nothing much happened, Shanghai real estate again resumed its normal course, just as might be expected of a growing city, full of life and with a future. Though the past year shows a record of extensive real estate transactions, it is safe to say that practically none of them were other than sales at good prices, and the numerous transactions reported were due to eagerness to buy rather than anxiety to sell.



County Hospital

Among the larger transactions reported were the sale of the old Yokohama Specie Bank property on the Bund to the N.Y.K. at a figure representing approximately two lakhs of taels per mow. The Kalee Hotel changed hands at a figure said to be around $1,000,000, for the four and one-third

(*Continued on page 58*)

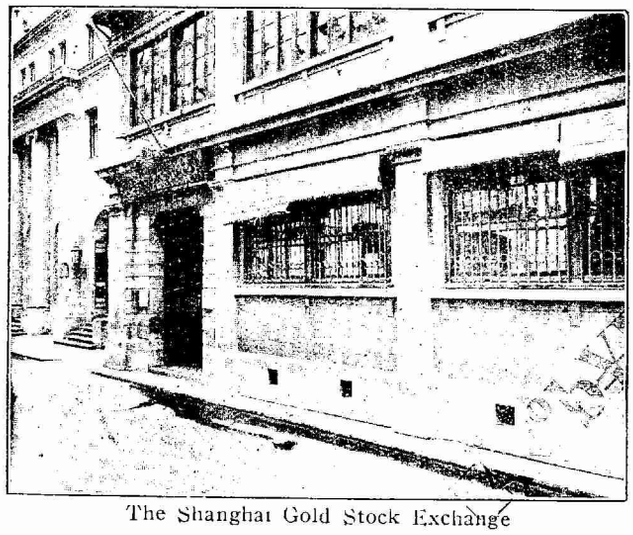
How Shanghai Influences the World's Prices For Gold and Silver

The Work of the Shanghai Gold Stock Exchange Ltd.

By E. Kann

Historical Notes

AMONGST the many Stock and Produce Exchanges existing in Shanghai there is none to which so much significance and paramount importance attaches than to the Shanghai Gold Stock Exchange Ltd. Originating from very humble beginnings the said institution has rapidly developed into a factor which justly claims the attention of the entire financial world. As will be demonstrated later on its dealings not only influence the price of silver on the London and New York markets, but frequently shape and even dictate world's silver quotations. The scope of the Shanghai Gold Stock Exchange extends also to other fields. Due to the vastness of its operations it is at times capable of



The Shanghai Gold Stock Exchange

influencing and directing the destiny of the currencies, of other countries. The fate of the Japanese yen during the entire period from 1924 to 1926, has been much more dependent on the doings of the Shanghai Gold Stock Exchange than on the wishes of the home country.

The Old Gold Exchange

A quarter of a century ago there existed on Jinkee Road a meeting place for the gold dealers and gold smiths of Shanghai. At the daily assembly of its small circle of members the price of standard gold was fixed in terms of silver. It must be borne in mind that China has not as yet adopted the gold standard. In consequence thereof the basis for local transactions was, and remains to this day, silver. This means that, contrary to usage in the Occident, gold fluctuates in price, as expressed in units of silver. Gold was brought to Shanghai from the Northern capital, but the bulk of the yellow metal coming into the market here was derived from melted foreign gold coins. The old Gold Exchange became thus a convenient meeting place where the daily quotations for gold, as expressed in terms of silver, were officially fixed and decreed.

In about 1905 a movement became discernible on the part of the members of the Gold Exchange to extend activities to transactions in gold bars also for forward delivery. This measure was suggested in view of the necessity of having frequently to import gold coin from abroad. Consequently the gold bars resulting there-from could not be delivered before the lapse of a certain period. While thus theoretically justifying their action the gold dealers really desired to have the element of risk and chance included in their daily business. Thereby the possibility of forward transactions in gold bars was created. But at that time the members had to actually deliver on due date the gold bars contracted for previously. The Manchu Government, recognising the danger arising out of a mass of speculative forward contracts, tried to interdict this class of business. But as the Gold Stock Exchange was housed in the International Settlement of Shanghai, it remained outside the jurisdiction of the Peking Government.

Origin of the "Gold Dealer"

For 8 or 10 years the gold dealers had their meeting hall in the Russo-Asiatic Bank building on the Bund. Already in 1906 attempts were made to connect gold bar business with transactions in foreign exchange. At that time it was principally the Shanghai cotton piece goods dealers who frequently took a hand in exchange speculations. They probably argued that cotton and cotton goods, like silver, were subject to violent fluctuations. Consequently it was within their province to speculate in gold currencies, as they were accustomed of doing in cotton yarn or cotton piece goods. As years went by the distinction between gold dealer, cotton goods merchant and financial agent began to fade away, Out of the welter arose a new creation which is nowadays more or less favorably known under one of the terms "speculator", "gold dealer" and "Kiukiang Road operator."

The last mentioned name is derived from the street in which the Shanghai Gold Stock Exchange has been located since. It is housed there in simple premises rented for a number of years from the Sumitomo Bank. Due to the hitherto unprecedented fluctuations in the price of silver subsequent upon the war, (the Chinese will correctly contend "in the price of gold")—transactions within the Gold Exchange have grown tremendously in volume, variety and importance. The original purpose of the Association, to carry on legitimate transactions in gold bars, has now been relegated to the background, as evidenced by the almost total absence, during the past two years, of transactions in effective gold bars Instead one witnesses an ever-increasing volume of business in fictitious gold bars and in foreign exchange carried on within the walls of the Shanghai Gold Stock Exchange.

Transactions at the Gold Stock Exchange.

In briefly enumerating the kind of operations originating in the Shanghai Gold Exchange it is deemed advisable to avoid technicalities. This notwithstanding the genuine interest attaching to a subject which has never before been coherently discussed, except in the writer's book "The Currencies of China" (Kelly & Walsh, Ltd. 1926). Complicated

calculations, and stereotype formulae resulting therefrom, might not fit into the frame which has been designed for this short essay.

As is implied by its name the Shanghai Gold Stock Exchange exists for the purpose of fixing and officially regulating the price at which gold is to be bought and sold by its members. Quotations are based on the official rates for bar silver in the London or New York markets. As the price of the white metal, as expressed in terms of gold currency, is subject to violent fluctuations, it will readily be understood that correspondingly large fluctuations in the market rate for gold will have to occur at Shanghai.

Exchange Deals in Gold

The Gold Exchange actually deals in gold, provided such is available. It transacts business in gold derived from imported coin or metal, and it also deals in gold which is intended for export from Shanghai. Whether or not gold in either shape becomes available for business purposes at the Gold Exchange depends entirely on pecuniary benefits derived from parities. According to its rules the Shanghai Gold Stock Exchange is authorised to permit and promote dealings in:

(a) Gold as it comes from the mines or from river beds, i.e. in the shape of sand or nuggets,

(b) Gold imported from abroad, in the shape of either coins or bars,

(c) Gold as near as possible 1000 fine. This is styled "red gold" and serves the purposes of the gold smiths. In spite of China's justly acquired fame as an originator in the fine arts, there have been remarkably few attempts made at producing ornaments from gold which are entitled to claim artistic merits with regard to workmanship. In China golden ornaments (principally rings, bangles and bracelets) are manufactured in simple style, principally for the purpose of serving as a convenient form of savings. For this reason the utmost importance is attached to the fine content of the article, and practically none to its artistic merits.

Transactions in "red gold" are concluded at the Exchange per "ping" or in multiples of "pings". A ping is represented by 50 Chauping taels weight, but prices are quoted per 10 Chauping taels of "red gold."

(d) Gold in the shape of bars. These are really the only article of significance, for the other classes are unimportant. Gold bars have made the Shanghai Gold Stock Exchange an institution of fame and awe and have invested it with splendor and power.

Real Gold Bars

The earliest period in which reference to gold as a measure of values in China has been made dates back to B. C. 1091. At that time gold in the shape of a cube was decreed to weigh 1 catty.

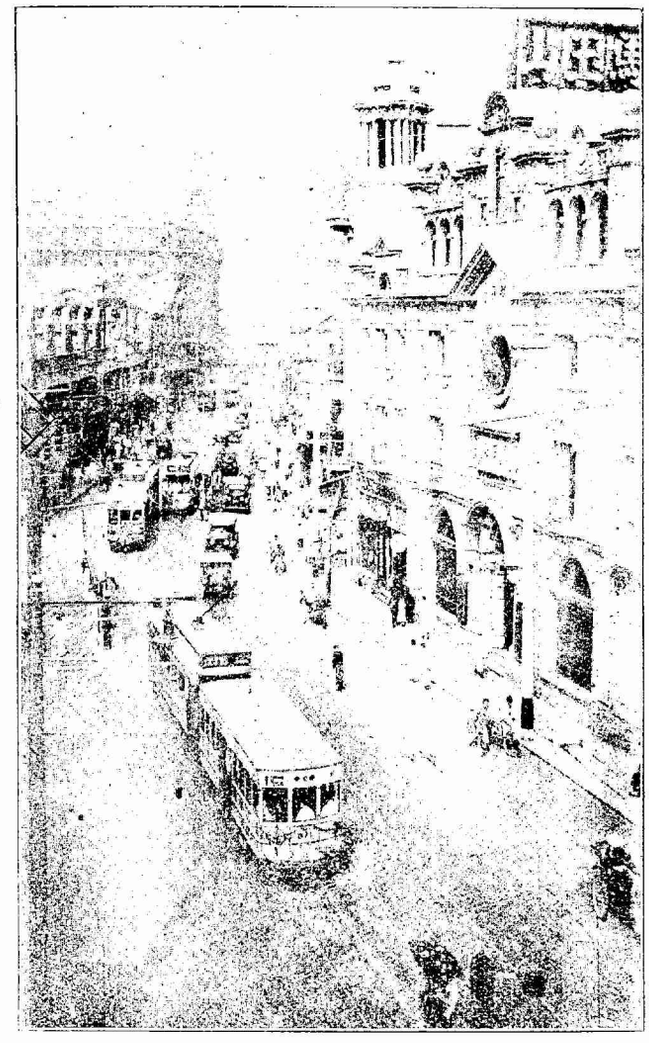
When in B. C. 221 the King of Tsin assumed the title of "the first universal emperor" a new currency system was introduced. Once again gold in the shape of small cubes, weighing 1 catty and called Yh, formed part of the new system.

Records describing conditions in A. D. 1175 go to prove that gold in the shape of "shoes" (the present shape of sycee taels) was in existence during those remote times. In Manchuria and certain Northern provinces one could have met gold (though by no means commonly) in the shape of "shoes" during comparatively recent times.

It is difficult to assert when gold in the shape of bars has first been placed on the market in China. Probably the inauguration dates back a few centuries only.

The composition of gold bars in the various places of manufacture is not uniform. So, for instance, are gold bars in Tientsin 0.980 fine, those originating at Peking are 0.985 fine, while gold bars made in Shanghai are of a standard fineness of 0.978. Only the latter class is of importance, and it is therefore the Shanghai gold bar which will be discussed here.

The Shanghai gold bar is put up in miniature bricks, weighing 10 Chauping taels, or 366.71 grams. On every bar is embossed the firm name of the smelter and also the year of manufacture. Furthermore two Chinese characters are found engraved, denoting "standard gold." For purposes of export one often meets larger bars, each weighing 70 Chauping taels.



Nanking Road

Gold bars originate from melted gold usually from imported foreign coin which has been refined up to the standard degree of 0.978. They are bought and sold at the Shanghai Gold Stock Exchange for either ready delivery or for delivery up to two months. Transactions in gold bars take place in "pings" (each consisting of 7 bars), or multiples thereof. One can purchase 70 bars, 98 bars or 1400 bars, etc, but not 1000 or 1500 bars. Quotations are in Shanghai taels and mace. Actual gold bars command a premium of from 1 to 10 taels per bar, as compared with fictitious gold bars; this refers to times when yen are at gold parity.

The seller of gold bars is entitled to deliver on due date foreign gold coins in place of gold bars, but these must be represented by either Japanese gold yen or by U. S. gold dollars. In such a case each bar is taken as equalling 240 U.S. dollars or 480 gold yen, and the seller has to pay to the buyer 50 candareens per bar to cover mint expenses.

Details of Transactions

In the event of gold coins from abroad, previously contracted for delivery at the closing day of the month, failing to arrive in due time; or in the event of actual gold bars not being forthcoming in due time, the buyer is entitled to demand settlement on the basis of the official opening T. T. rate issued on the last day of the month by the Hongkong & Shanghai Banking Corporation. Yen 480 are adopted as the equivalent of 1 gold bar, and 3 taels per bar is added under the style of freight.

For instance, if on the last day of a month the official rate for telegraphic transfer on Japan is issued at 72, previously contracted, but undelivered gold bars would have to be settled at the price of taels 348.60, according to the following simple calculation.

72 × 480 = 345.60 taels
plus 3.00 „ for charges
348.60 taels

Actual gold bars are exported abroad when the parity permits this. Before the World War considerable quantities have found their way into Germany. Since the conclusion of peace the United States has been the principal purchaser of Chinese gold bars. During recent years the export from China has been negligible in quantity and transactions in actual gold bars at the Shanghai Gold Stock Exchange, in the course of 1925 and 1926 were rare exceptions.

The net amount of gold exported from China (i.e. the excess of exports over imports) in the course of the years 1890 to 1925 inclusive, according to statistics published by the Chinese Maritime Customs, is Haikwan taels 92,446,000. This sum includes gold in the shape of bars, dust and coin.

Fictitious Gold Bars

Originally founded for the purpose of dealing in effective gold bars the Shanghai Gold Exchange has meanwhile undergone a transformation which is characterised by its stupendous dealings in fictitious gold bars. These are bought and sold for either purely speculative purposes or else with the object of providing a hedge for another transaction.

Speculating in fictitious gold bars means buying or selling imaginary gold bars against taels with the object of cancelling the transaction at a latter date, by either paying or receiving differences on due date.

As a gold bar is supposed to represent either 480 yen or 240 U.S. dollars its purchase or sale for forward delivery, as a cover for another operation in gold currencies, becomes quite feasible. In fact, fictitious gold bars serve in this particular quality to an enormous extent. Whenever a person buys say 100,000 Yen at a bank in Shanghai against taels for forward delivery, it might cover the transaction by selling simultaneously the approximate equivalent in taels of (fictitious) gold bars, say 210 bars. On or before due date the operator will reverse the transaction with the result that he will either receive or pay differences resulting from the operation.

The enormous turnover in gold bar dealings makes the Shanghai Gold Stock Exchange a factor of real importance. As will be shown later on the institution referred to is wielding power and influence of a magnitude which, though scarcely realised by the outside world, is nevertheless existing and growing.

A brief reference to the procedure in vogue at the Gold Stock Exchange may be of interest. Buying and selling can be carried on in the name of members of the Exchange only and has to be worked through authorised brokers, the number of whom is limited to 138. Brokerage is charged to the buyer, as well as to the seller, at the rate of 5 candareens each per bar. Out of the total brokerage three-fourths belongs to the brokers, while the other quarter goes to the Exchange.

The system of working at the institution referred to is peculiar. As very few outsiders only are familiar with the procedure adopted there, it will be useful to describe the system in vogue.

About effective gold bars we have already spoken. These are dealt in for either prompt or for forward delivery. But fictitious gold bars cannot be bought or sold for spot delivery, simply became they don't exist in substance. Therefore they are bought and sold for delivery some time hence.

The real day of settlement is the last business day of the month. But the 16th day of every month has been set aside as date for settling one's affairs in preparation for the settlement day to come six weeks later. The sixteenth day is what is popularly called "change over" day.

Sixteenth this Settlement Day

If one contracts to buy or sell (fictitious) gold bars, say on the 18th September, it is understood that delivery has to be effected on November 30th. This means that the party has to reverse the operation between the 18th September and the 15th October, because on October 16th there is another "change-over" day. If no "change-over" is effected or none desired, delivery has to be made on due date which, in the case under discussion, will be the 30th November. In the latter event settlement of existing contracts is effected on the basis of official Yen quotations, as already described.

In the majority of cases, unless one has liquidated existing purchase contracts by corresponding sales for the identical delivery, before the arrival of the sixteenth day of the month, a shifting of one's open position for a month ahead will be undertaken. This is popularly styled "changing over". A transaction of this kind actually involves the establishment of new contracts. This is being accomplished by setting off the old contract against a new one and by paying, respectively receiving, the difference. If, for example, the original purchase of 350 bars was made on August 20 at say 335 taels per bar and if, on September 16, the market price should happen to be say 346 taels, the buyer, in changing—over, will receive a difference of 11 taels per bar and enter, at the same time, into a new contract for the purchase of 350 gold bars at the rate of 346 taels for November delivery. Brokerage on simultaneous buying and selling (change-overs) is being charged at half rates, which in the end amounts to the rate on ordinary transactions.

Day of Two Quotations for Bars

In the forenoon of the 16th day of every month there exist two quotations for gold bars. One for delivery at the end of the following month and another rate for delivery the month thereafter. As a rule there is a difference between the two quotations which some people will style "premium", while others insist on calling it "squeeze." That difference fluctuates between a few mace and two taels. If, for example, an individual is oversold in gold bars at a time when the latter have since risen in price, it follows that in shifting his oversold position to a date further ahead, he will have to first of all find a party which is a seller for near and a buyer for the required forward delivery. This will firstly involve the

payment of the requisite difference as determined by the original purchase rates and the quotations ruling on the 16th day of the month; and secondly of the "squeeze" the extent of which depends upon the size of existing positions and subsequently upon actual demand.

Exchange takes Cognizance of only Cash Bars

It may be added here that the Shanghai Gold Stock Exchange does not officially take cognizance of existence of fictitious bars. All it knows about is "cash" gold bars and gold bars for forward delivery. The latter command a premium over the former which largely depends on the parity of the yen. The seller has the right to deliver "cash" (effective) gold bars at any time during the validity of the original contract.

It should also be realised that when buying gold bars at the Exchange one has a maximum term of 75 days for selling the contract; this when either taking delivery in bars or setting off at the official yen T. T. rate. Otherwise when "changing-over" one has a maximum term of 30 days.

The Gold Exchange publishes in daily lists, on which are printed the names of all its members, details of all the transactions which have taken place in the course of that particular day. It is shown who bought or sold a clearly stated number of bars.

At the close of business every day the Gold Exchange, through its Accounting department, prepares itemised lists, showing distinctly the existing engagements of all its members. The total number of gold bars sold by some of the members are balanced by the total number of gold bars bought by other members of the Exchange. While the first mentioned list is made available to those concerned, the second list is of a confidential nature.

The Influence of the Shanghai Gold Stock Exchange

The Shanghai Gold Exchange is in a unique position. It deals in a commodity in which it holds a monopoly. There is no competition, in spite of the fact that a second, but much smaller, institution exists in Shanghai. The fictitious gold bars bought within its walls must be sold there, as they cannot be delivered in any other place. If an operator at Shanghai contracts to buy foreign currencies for delivery at a future date, say £ or U. S. $, he is at liberty to either take delivery on due date or to cancel the transaction by setting it off. But the operator is free to cancel through any bank he choses; he has the choice of even setting-off in Europe or America. Sterling, U. S. dollars, and almost any foreign currency, can be dealt in all over the world. Gold bars, and especially fictitious gold bars, are limited to four solitary walls which form the assembly room of the Shanghai Gold Stock Exchange. This is a remarkable feature of rare distinction. And yet, in spite of its limitations the Shanghai gold bar wields an influence which is deserving of the widest attention.

Due to the factors just described it becomes essential that whenever there is a buyer of gold bars (fictitious or real), there must be a seller in the Gold Exchange in order to consummate the deal. Prices will be regulated by the demand, but transactions in imaginary gold bars will invariably balance each other. In this way the outside world is not affected in any manner.

General Practice

But in most cases a buyer of gold bars will sell some foreign currency, chiefly yen, against his purchase of bars. The purchase of gold bars (real or imaginary) has to be affected within the walls of the Shanghai Gold Stock Exchange. But the sale of yen, sterling or U. S. dollars, may be carried out at any bank in Shanghai, Hongkong, London, New York or Kobe. It is the sale of foreign gold currencies that will affect the world's markets. Extended sales of foreign gold currencies, against taels, to banks in Shanghai will force the latter to provide cover. If cover on the spot is not available in the shape of foreign currencies (T. T. or export paper) banks will be forced to cable to London or New York to buy bar silver, there. This action involves an effective demand for silver and is likely to cause a rise in the price of the white metal.

Take Lead in other Branches of World Finance

This rather elementary explanation is the genesis of the gold dealers influence on the world's silver markets. In the same measure as they have gained confidence in their capabilities the speculators grew bolder and have finally succeeded in taking the lead in other branches of world finance. In the beginning the speculators bought and sold foreign currencies principally as a hedge against gold bars; later on, while retaining this aim, they also bought or sold foreign currencies at Shanghai (against taels) independantly and without seeking to provide simultaneous cover. This means that they took risks; and it also means that by the size of their operations they could not prevent influencing, and often guiding, the world's silver prices. By no means have the gold dealers always been successful in their enterprises: when having had to contend against powerful natural causes, they often had to give in and stand losses. But nevertheless, the doings of the Shanghai speculators has, for years passed, had a decided influence on the trend of the world's silver prices.

Widened Portion of Szechuen Road

Another important branch of activity on the part of the speculators is the influence they wield on the value of other countries' currencies, as expressed in the cross-rates. The Shanghai Gold Exchange, during the years 1924-1926, has controlled the value of the Japanese yen and, by the middle of September 1926, brought it back to within 2% of gold parity. This feat has been achieved by the Shanghai gold dealers who launched mass attacks and who dared to take gold positions to the extent of 100 million yen. A portion thereof may have been covered by gold bars, but the bulk was left to chance. Naturally the Shanghai operators were aided by improving economic conditions in Japan and by speculative yen purchases in other parts of the world. But these latter were merely a consequence of tactics emanating from the Shanghai Gold Stock Exchange. It may safely be asserted that in respect to the improvement in the value of the yen within two and a half years, from 38 U. S.$ to 48¾ U. S.$, the members of the Gold Exchange in Kiukiang Road were responsible to the extent of at least 75%. Until the yen has once more been restored to actual gold parity its fate remains largely at the mercy of the Shanghai operators. Transactions in Yen at Shanghai by far exceed in

volume those entered into in any city of Japan. Thanks to the magnitude of the yen business transacted in Shanghai, chiefly by the so called gold dealers, this city has become the clearing house of the world for business in Japanese currency. Naturally there will be reduced activity in this particular line as soon as the effective gold standard in Japan has been restored. This prognostication is justified by the fact that fluctuations in the value of the yen would then become insignificant.

The Turnover of Gold Bars

In order to show what the turnover of gold bars in the Shanghai Gold Stock Exchange amounts to the following authentic figures are quoted here. The value and purpose of statistics is not yet fully recognised, and it became therefore extremely difficult to procure the material which, we have reason to believe, is now being published for the first time.

The turnover in gold bars, as registered by the Exchange, was as follows during:

Month	1924 Bars	1925 Bars	
January	1,426,600	1,337,210	bars
February	1,004,780	2,628,374	,,
March	2,329,180	6,684,202	,,
April	2,391,970	4,001,662	,,
May	2.664,620	4,429.810	,,
June	2,280,460	862,120	,, *
July	2,304,820	3,125,290	,,
August	2,272,508	3,551,520	,,
September	2,351,986	5,729,388	,,
October	4,885,748	4,134,120	,,
November	2,673,916	5,777,576	,,
December	2,117,164	4,629,292	,,
Total	28,703,752 bars	46,890,564	,,

As these figures represent the total of purchases and sales, they ought to be halved. Taking thus the value of a gold bar at 480 yen, the turnover in gold bars at the Shanghai Gold Stock Exchange amounted to

Yen 688,886, 000 in 1924 and
,, 1,125,360, 000 in 1925.

The Constitution of The Shanghai Gold Stock Exchange

The company has been organised by members of the Shanghai Gold Dealers Association and was duly registered at the Ministry of Agriculture and Commerce for a duration of ten years. The Exchange shall be situated in the International Settlement of Shanghai.

Capital: $1,500,000, divided into 100,000 shares of $15 each; certificates to bear the names of the shareholders. Gold dealers who are qualified to act as brokers in the Exchange shall make a permanent deposit of 200 of the company's shares. Only persons of Chinese nationality are admissible as shareholders.

Officers: To comprise the Board of Directors consisting of 9 persons who are elected for 2 years. The Chairman is to be Chief Executive. Besides 4 Supervisors are to be appointed for one year, with the right to inspect all the books and documents of the company and to report to the Directors on all affairs regarding the Exchange.

Annual Meeting: to take place on February 8; special meetings may be summoned if required.

Brokers: must be representatives of registered gold dealers. The number of brokers officiating in the Shanghai Gold Stock Exchange is limited to 138.

Margins: The Exchange is entitled to demand margins from both seller and buyer whenever forward transactions are involved. The extent of

* Closed owing to strike.

Head Office
National City
Bank Building
New York

PRINCIPAL CORRESPONDENT OFFICES

ALBANY
ATLANTA
ATLANTIC CITY
BALTIMORE
BOSTON
BUFFALO
CHICAGO
CINCINNATI
CLEVELAND
DAVENPORT
DENVER
DETROIT
HARTFORD
HOUSTON
INDIANAPOLIS
JACKSONVILLE, FLA,
KANSAS CITY
LOS ANGELES
LOUISVILLE, KY.
MEMPHIS
MIAMI, FLA.
MINNEAPOLIS
NEWARK
OMAHA
PHILADELPHIA
PITTSBURGH
PORTLAND, ME.
PORTLAND, ORE.
PROVIDENCE
ROCHESTER
SAN DIEGO
SAN FRANCISCO
SEATTLE
ST. LOUIS
SAINT PAUL
TOLEDO
WASHINGTON
WILKES-BARRE
MONTREAL
TORONTO
LONDON
COPENHAGEN
GENEVA
TOKIO
SHANGHAI

When an Investment is Right for You

Every day we recommend different investments to different men . . . . For each case present a different set of conditions.

To be sound, any investment must meet certain standards. It must safeguard money It must convert readily into cash. It must pay good interest.

But a sound investment may meet the need of one individual and miss the need of another.

If you are active in business, you may wisely make an investment which the non-business man had best avoid. An investment well-adapted to the provisions of another's Will might hamper clean-cut execution of your Will. Your plans to stay at home or to travel may affect the investment you should make. Different incomes often point to quite different investments. An investment should also effect a good balance with investments already held.

Plainly, such problems call for judgement and experience.

Behind the Company's counsel are included a back-ground of one hundred and fourteen years of financial experience; world-wide foreign connections; eleven thousand miles of private wires to investment centers in America, and offices in over 50 leading American cities. A NATIONAL CITY COMPANY representative will know how to bring the Company's equipment to bear on your needs.

Ask for our Monthly Investment Securities circular

THE NATIONAL CITY CO.

(*Closely affiliated with The International Banking Corporation*)

International Banking Corporation Building,

2A KIUKIANG ROAD
SHANGHAI, CHINA
Tel. C. 9252

BONDS - SHORT TERM NOTES - ACCEPTANCES

39-053

margins is to be specified in the company's by-laws. Receipts for margins issued by the company are not negotiable.

Profits: to be determined after accounting for all expenditure and taxes. Of the net amount 10% are to be transferred to the reserve, 20% to be distributed as bonus to officers and staff, while the remainder of 70% are to be allocated as dividend to shareholders.

By-Laws of the Shanghai Gold Stock Exchange

Business hours: on week days are 9-12 in the morning and 2-4 in the afternoon. (As a rule business is being carried on until 12.30 and 5 p.m.) On Sundays and on some holidays the market is open from 11-12 in the morning.

Brokers must be duly qualified and are not to exceed 138 in number. They are to wear badges while acting in the Exchange. Every broker may appoint 5 representatives to transact business in the Exchange on his behalf. The brokers to be united in a Brokers' Association. In executing orders on behalf of clients brokers should automatically collect the requisite margin.

Transactions: on the Exchange may comprise (1) gold produced in China; (2) gold in bullion or coing of any country; (3) gold bars for which the Shanghai standard fineness is 0.978 and the weight 10 Chaupins taels. Transactions in gold bars are made in "pings" of 7 bars each; (4) Red gold bars; these are dealt in "pings" comprising 50 bars, but quotations are per 10 Chauping taels weight. These bars are of a fineness of 0.999 and are used by goldsmiths in the ornamental arts. Transactions in these commodities can be made for either ready delivery, or for delivery not exceeding 2 months. Contracts to be signed by the two brokers acting on behalf of buyer and seller; thereafter the transaction is to be registered by the Accounting department of the Exchange.

Guarantee: Apart from the permanent deposit of 200 shares the broker is required to deposit a margin of 10 taels per bar and to add to this margin if and when the market value deviates sufficiently from the original contract price. Under similar conditions the brokers are entitled to demand a refund of surplus margins deposited. In the event of either too large engagements on the part of a broker, or in case of heavy fluctuations occurring, the directors are entitled to demand additional margins. Shares of the Gold Stock Exchange or approved bonds are acceptable to the company at prices fixed by the directors,

Brokerage is payable by both buyer and seller at the rate of 0.06 taels per bar. Of the proceeds 25% goes to the Exchange, and 75% to the brokers. The Exchange will devote one-fourth of its share as a bonus to the broker concerned.

Settlement: The seller is at liberty to give delivery of the gold bars contracted for a certain month at any time in the course of that month. But he must give one day's previous notice to the Exchange which, in turn, will notify the buyer. The bars are to be as near as possible 10 Chauping taels in weight and the eventual shortage in bars is not to exceed 5 mace. If a seller desires to deliver coin in the place of bars he must bear in mind that only Japanese gold yen or U.S. gold dollars are acceptable. The former at the rate of 480 per bar, the latter at 240 dollars; plus 50 Candareens per bar, to cover melting expenses. If gold from abroad contracted for sale locally, fails to arrive here in good time; settlement of the contract is to be effected on the basis of the Hongkong and Shanghai Bank's opening rate for T.T. on Japan on settling day; in this case Yen 480 are to be considered as equalling 1 bar, and 3 taels are added for freight.

Balance Sheet

The assets and liabilities of Shanghai Gold Stock Exchange are particularised in the balance sheet which is reproduced hereunder in form of a translation. The statement covers the business year ending 30th June, 1926:

Liabilities:

Capital	$ 1,500,000
Reserve	132,097
Margin paid by brokers	2,462,262
„ „ in advance by brokers	2,195,546
Unclaimed dividends	3,033
Interest for last term	60,561
Brokerage „ „	3,945
Sundry creditors	16,972
Net profit	310,028
Total	$ 6,684,444

Assets:

Brokers securities (bonds & shares)	$ 3,715,716
Furnitnre & Fixtures	23,373
Real Estate (Jinkee Rd)	278,620
Preliminary & development expenses	84,461
Deposits	120,000
Fixed loans	579,310
Cash in banks	969,332
Investments	330,152
Native orders not yet due	547,835
Interest & commission receivable	29,174
Sundries	6,471
	$ 6,684,444

Profit & Loss Account:

Dr.

General expenses etc	$ 143,146
Interest on brokers deposits	12,674
Brokerage rebate	128,717
Written off	9,682
Net profit	310,027
	$ 604,246

Cr.

Brought forward,	$ 200
Brokerage	514,856
Interest	72,306
Rent collected	6,006
Profit from investments	3,628
„ „ exchange	5,549
Sundry income	1,702
	$ 604,246

Allocation:

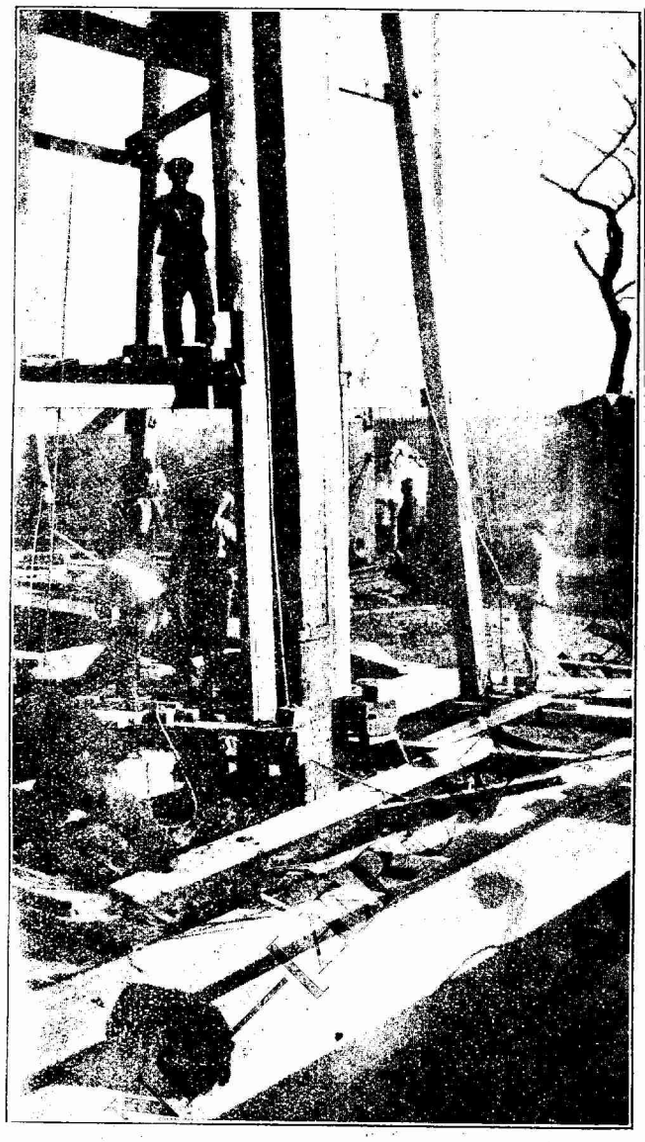
Government tax	$ 15,501
Reserve	29,452
Bonus to staff	58,905
Dividend	205,000
Carried forward	1,169
Total	$ 310,027

Great Progress is Evident in Construction Methods in Shanghai Machinery Replacing Man-Power

By A. Q. Adamson

THE wrecking of an old building is an event. It marks the passing of a cycle. Old buildings too often are allowed to pass into oblivion unheralded and unsung. The passers by are given to saying, "There goes another eyesore" or "Thank goodness that old fire trap is gone up in dust, instead of smoke." Perhaps the pet phrase in Shanghai is "Well, at last we'll have that road widened!"

Such remarks are all very well when fittingly made, but many an old pile of brick and mortar is deserving of kindlier consideration than it receives when the hand of progress grips it.



Power Pile Driver used for Large Buildings

Shanghai has lost many of her old landmarks during the past fifteen years. The personal story of any one of these old blocks erected half a century or more ago would make interesting reading. The care, thought and skill required for their erection, considering the materials at hand, and the lack of skilled labor made them a big undertaking and they should not be sneered at by the modern engineer or architect It is sufficient to say that the builders of those early days met the needs of their time faithfully and well, and those skilled in modern methods can do no more than that.

The changes that have taken place in "Construction Methods" in Shanghai in recent years are worthy of more than passing consideration. It is a broad subject, and the limitations of this article do not permit of a full treatment of the theme. To be comprehensive, much exact data should be gathered and compiled, and technical considerations weighed, which would not be of general interest. It is worthwhile however to point out a few of the more outstanding changes in construction methods (which involve materials, also) that have been introduced from time to time in Shanghai and have gradually become more or less standard practice here.

Will Compare Old And New Methods

It will not be possible to even mention all types of Construction work. Some generalizations will be made, however, in the closing paragraphs, with a query or two about the future. But for the purposes of this article we will consider the main processes and materials involved in achieving a modern building in Shanghai, and point out occasionally the differences that obtain now as compared with earlier days.

Before any building enterprise is put under way, it is usually considered essential that someone whom we will call the "owner" should have an idea. With all due respect to the past generations of Shanghai one sometimes wonders, when looking upon various products of their imaginations just what the "idea" was. Again one is led to marvel at the monotony of the ideas along building lines which seems to have gripped the early fathers. Certainly, at the outset of this discussion, it is fair to say that at the present time, the owner has very definite ideas of what he wants, and builds for specific purposes. In the old days, four walls and a roof would serve as an office, a godown, or a residence equally well, if not for all three simultaneously. That day has passed in Shanghai. The owner of a piece of land in the business district now has to choose from a score of purposes for which his building might be built. Likewise many ideas as to what a building might look like, have filtered into Shanghai from beyond the Four Seas. Indeed the modern owner, by reviewing the tremendous advance in city building in the home lands, is more apt to become lost in a "maze" of ideas rather than in a monotony of the same. This fact among others involved in the modern desire for efficiency, makes it follow naturally that the "owner" in modern Shanghai, finds the first essential of successful building construction, to be the selection and employment of technical assistance, as required by the nature of the project on hand.

Selection Of Competent Architect Important

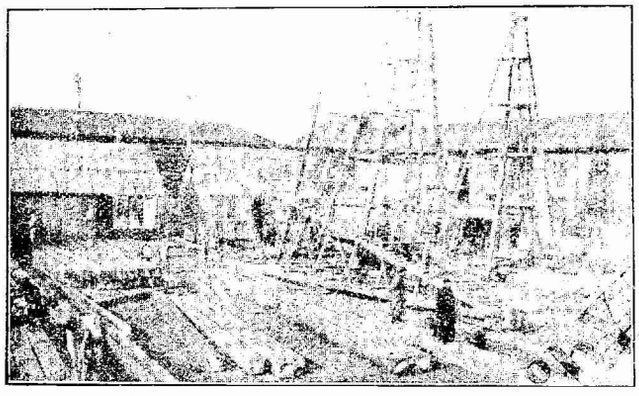
Many an "owner" has made his first mistake in the selection of his architect or engineer. But this does not mean necessarily that the talent he employed was at fault or unskilled. There may be a few great architects and engineers in the world who are fully competent to handle any type of project successfully. The tendency, however, is to specialize. In spite of himself, many a designer finds that his practice very naturally narrows down to one or two highly specialized classes of work. The careful owner will recognize this situation and select his technical help accordingly. To select an engineer because he is a "good fellow" or "a friend of mine", often proves to be the rankest folly. In the old days the choice of talent was undoubtedly limited,—but the needs of the time did not call for a wide range of specialization, hence the situation found itself in balance, and the old Pioneers carried on effectively. Recently an "old timer," a Scotchman, by the way, was heard to

remark on this topic: "In the old days we did not require so much talent; we built with determination." There is no less need to-day for that same quality, but in addition the modern owner at the outset is called upon to exercise discrimination as well.

Foundation Work

Foundation work, in the old days was a fairly simple process. In fact, the age long methods of Chinese builders were adopted with but little modification. The system is still used for the usual Chinese houses and shops, and for foreign residences and most simple structures one, two or three stories in height. All that is required is a level trench along the line of wall, of suitable width and depth, into which is spread successive layers of broken brick, over which is poured a slush of lime, sand and water, and the mass thoroughly rammed layer by layer.

Footings of this type were used for all kinds of building work in the early days. Even for some of the heavy buildings requiring footings up to 8 to 10 feet in width, lime concrete has been quite successfully used. As the depth of the footing is usually about two third of the width, this type of footing requires quite a mass of material and of itself takes up a fairly large percentage of the bearing value soil.



Huge Pile Driving Derricks at Work

To increase the bearing value of footings it became the practice to drive piling in the bottom of footing trenches. Indeed this method was doubtless introduced by the Chinese contractors from the very start.

Lime concrete footings found under buildings that were erected some 50 or more years ago have been found to be extremely hard, requiring heavy picking to tear them to pieces. Unfortunately this type of footing is not usually homogeneous. A very large percentage of old footings is often found to be nothing but the original broken brick with practically no binding material showing. Obviously with footing material of this sort, its use is quite definitely limited to buildings of the lighter type and it is utterly inadequate for modern foundation work.

The Nature of Wooden Piling

In many cases the piling used in these old two and three story buildings has been found to consist of from four to six inch round poles with a length of six to eight feet. In most cases the top of the piling has been found to be utterly decayed for as much as eighteen inches below the bottom of the lime concrete. This fact raises an interesting question. It is well known, one could almost say universally known, that wooden piling driven into permanently wet soil does not decay, but remains sound indefinitely so long as the ground water line is above the top of the pile head. Certainly the Chinese contractors, with their centuries of practical experience behind them, were well aware of this fact—so well aware of it that it must have been practically a fixed habit with them to dig their trenches to the water line before driving piles. Of course it is equally reasonable to suppose that the Chinese contracter of the old days was just as anxious to save money as is the contractor of today and consequently some of got his "squeeze" by digging shallow trenches But it is also reasonable to suppose that the foreign owner was himself keenly interested in the building and undoubtedly had someone supervising it who had some practical experience. It is therefore difficult to presume that all the foundation work was left entirely to the whim of the native builder. Following this reasoning, the question would arise, "Has the ground water level of the built-up area of Shanghai lowered as much as eighteen inches during the past half century? If so, what is the cause?" The placing of the city sewers and the building of drains might possibly account for this lowering of the permanent ground water level. In any case, builders find it necessary at the present time in the down town district, to be sure that the heads of wooden piles are considerably deeper than they were placed by those in charge of construction work when the city was younger.

Use of Concrete Piling

To meet the demand for higher buildings it has been necessary to resort to heavier piling work and to make use of reinforced concrete instead of lime concrete. Perhaps the first use of reinforced concrete for footing work was merely an improvement over the old lime concrete footing. For with this wonderful material it was easily possible to extend the width of footings considerably, while at the same time the weight of the footing per square foot on the soil was less than with the old lime concrete. This was a definite step in advance.

As the bearing value of the soil in Shanghai is extremely low, the use of reinforced concrete for spread footings was found to be definitely limited. Much heavier piling than was used with the old footings described above became necessary. For many years, modern pile driving methods were not used and the size of piling that could be driven was limited to the capacity of the native pile driving crew. Shanghai residents are all familiar with the song of the native pile drivers. The Hi-Yi-Ho-Ah-Yum as they tune up, to the Hoom-Ah! when the stone hammer strikes the pile is music with which we are all familiar. It is a very interesting sight and the Shanghai Griffin gets a real kick out of his first experience of seeing this unique method of setting piles. With the cheap labor prevailing here the native method does very well for piling twelve feet to fifteen feet in length. But the method is of doubtful economy for piling over twenty five feet in length.

It has been the practice in Shanghai for many years with the S. M. C. P. W. D. to allow a total load of 1700 pounds of combined live load and dead load upon each square foot of soil in contact with footings. With this low bearing value, further increased by the use of 15 ft. to 25 ft. piling, it is easy to see that this combination for footings would also have very definite limits.

Raft Foundations

The next advance in foundation work was to make use of what is often spoken of as the raft. The raft foundation, generally speaking, consists of a reinforced floor inverted with the beams and slabs connecting to the columns and walls and of the required size to carry the combined loads of all the floors above. By the use of the raft it is possible to develop the full bearing value of the soil over the

entire area of the building. This is a big step in advance over the spread footings. At first glance the layman might consider that at this stage the foundation problem to be solved. Obviously the length and breadth of footings are limited to the dimensions of the site. How then can they be made to carry any more load, and why? There are several reasons why even the raft footing of itself is not at all sufficient to meet conditions imposed for the support of a nine or ten story building. In the first place the soil in Shanghai can be likened to rather stiff dough. In some places it is even softer than that. A high building supported on a raft foundation resting on such unstable soil might easily become a precarious structure. Buildings used for combined office and godown purposes are often loaded unsymetrically. Such loads might easily start settling, throwing the building out of plumb. In some cases owners have decided to add heavy stone facing to the building after the foundations were in place. This has been known to result in giving a building of some height a definite "set" out of the perpendicular. In other instances owners have decided at the last moment to include a very heavy vault in one corner of the building supported on a raft foundation. Heavy concentrated loads of this nature are extremely likely to effect the building depending entirely upon a raft foundation for support. It is therefore common practice in Shanghai to further increase the bearing value and stability of raft foundations by the use of heavy piling.

Soil Condition add Importance to Piling

With the soil conditions obtaining as described above, one can easily understand that it is axiomatic in Shanghai that "as buildings go up in height the piles must go down in depth." Data on two buildings erected or being erected and having a height of approximately 100 feet to the roof line, reveals the interesting fact that the engineers have found it desirable to use piling from 60 to 80 feet in length. Up to the present time two materials are being used principally for heavy piling work—namely, reinforced concrete and Oregon pine. In one case reinforced concrete piles were precast, seasoned and then driven the same as any other piling. Piling of this nature has the advantage that every pile can be fully inspected before it is placed, and it can be known that it is sound throughout. It is also absolutely permanent in character and does not depend at all upon the level of the ground water for its longevity.

Another type of concrete piling which has recently been introduced to Shanghai is that known as the Raymond piling. This type differs from the precast piling in that the concrete is cast in place. This is done by first driving or sinking a steel pile surrounded by a metal casing to the depth required. The steel pile is pulled out but the casing left in place. This casing is then filled with concrete. The technique of placing piling in this manner is more refined than that required in driving precast piling. It is the method used widely in the homelands and it will doubtless prove itself suitable to Shanghai conditions.

The Use of Oregon Pine

Oregon pine or other wooden piling is driven by the usual method. By splicing wooden piling it is possible to sink same to a considerable depth without the necessity of securing special rigging. On one foundation job recently completed 12"x 12" and 14"x 14" Oregon pine piling was driven to a depth of 80 feet by splicing two 40 foot timbers. No particular difficulty was experienced in the process. In fact it seems surprisingly easy in Shanghai to sink long piles as compared with the loads the piling will safely carry after being driven. The S.M.C. Public Works Department regulations allow piling to be loaded to the equivalent of 225 pounds for every square foot of piling surface in contact with the surrounding soil, This means that for piling 12 inches square there would be 4 square feet of surface for every foot in length. hence it would be calculated to support 1000 pounds per foot. When piling with a bearing value of 80,000 pounds is used, it is easy to see that it accomplishes something in the way of supporting a high building. From the standpoint of cost, where extreme length is required, Oregon pine piling will be found to be considerably cheaper than concrete. And so long as the ground water level remains above the pile head there is no reason why Oregon pine piling should not last as long as any other.

Progress in Foundation Work

Foundation work in Shanghai undoubtedly presents many unique and interesting aspects to the engineer. Considerable praise is due to the engineering profession in Shanghai for the able manner in which the foundation problems involved in buildings of modern character have been solved. Tremendous advances have been made during the past ten years. As the value of land increases the Shanghai engineer will be called upon to deal with conditions still more acute than any that have been presented yet.

The demand for fire proof buildings in Shanghai is increasing constantly. In fact the S.M.C. regulations are now becoming very rigid in this respect. The change in the construction methods for this type of building as compared with the old non-fire proof building is indeed revolutionary. The use of reinforced concrete is now so common that in many cases owners and contractors are making use of this material in many ways and for many types of building not required by Municipal regulations to be of fire proof construction. The change from non-fire proof building to the fire proof type has been rapid. As late as 1914 non-fire proof buildings four and five stories high were permitted by the S.M.C. regulations in the central district. But from 1915 on, the regulations concerning fire proof buildings have become more and more rigid. This is as it should be. At the present time it is almost universal practice for buildings of any importance to be of fire proof construction, whether built within the Settlement or not. This is particularly true of cotton mills and all sorts of industrial plants.

Structural Steel and Fireproof Buildings

While reinforced concrete is used for the frame work of fire proof buildings a great deal oftener than is structural steel, progress is nevertheless being made with this latter material. The first steel frame building of any importance to be erected in Shanghai was the Union Building, erected in 1913-14. Other structural steel frame buildings that have been erected since are the Chartered Bank, and Yokohama Specie Bank buildings. The new Customs Building now in process of erection, will be when completed, the largest steel frame office building in Shanghai.

Many fire proof buildings in Shanghai are of mixed construction, that is, both reinforced concrete and structural steel have been used in the framework. The most notable building of this type is the Hongkong & Shanghai Bank. The Shanghai Club was one of the earliest buildings erected in Shanghai to employ this combination type of frame. It is well known that all steel used in the fire proof building requires fire proofing to protect it from heat in case the contents of the building take fire. With reinforced concrete work the steel used is protected by the concrete material which completely covers it. Any plastering added to the reinforced concrete members gives still further fire protection. With a structural steel frame every column and beam must be covered in a sound manner. Columns are often fully protected

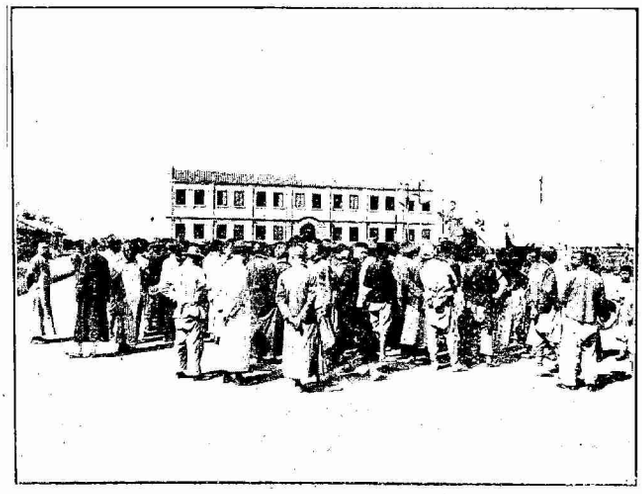
(Continued on page 76)

How Greater Shanghai Appears from a Modern Industrial Standpoint

By B. Y. Lee

TO many persons the term, "Greater Shanghai" stands for vast commercial activities, magnificent office and public buildings, broad streets, large banking houses and modern department stores and shops. To many foreigners, "Greater Shanghai" depends for its greatness upon the presence of foreign battleships in the harbor, foreign concessions, foreign methods of transacting business and the presence here of many scores of western trained Chinese.

But to a few far-sighted persons the term "Greater Shanghai" and all that goes with it, depends almost entirely, if not entirely, upon the progress of industrial development and the future stability of existing industries. The industrial history of Shanghai is the industrial history of China for Shanghai is the mother of modern industry in China. Practically speaking, practically every type of industry known in China, is represented in Shanghai where there are now more than 250 modern factories employing about 300,000 industrial workers with a capital investment said to be in excess of $300,000,000. The sky-line of Shanghai, unlike other cities of China which are noted for their pagodas and temples, is marked with hundreds of smoke-stacks and chimneys, the marks of modern industry.



A leader of a Chinese Cotton Mill lecturing to group of workmen

Before 1900 China devoted her energies to agricultural pursuits exclusively Shanghai alone at that time had caught a glimpse of the importance of modern industry, principally due to the close contact with Western Civilization. In 1896 the first modern flour mill was erected and in 1890 a large modern cotton mill was organized. From that time on, modern industries of all kinds have gradually developed, particularly since the establishment of the Republic. Owing to the internal disturbances of the last decade, many ex-officials, rich men, and industrial promoters have come to Shanghai as a safe place for industrial development. Before the construction of the Shanghai-Nanking Railway, Shanghai had the advantage of cheap water transportation and even to-day water transportation predominates as a best means of moving merchandise.

Cotton Manufacturing

The cotton mill industry, being one of the largest industries of the country, and employing more laborers than any other single line of modern industry, with the exception of silk, is a chief source of Shanghai's industrial wealth, the magnitude of which can be hinted at through statistics. The first modern cotton mill was established in 1890. From this period to 1917 the industry made very little progress and the number of spindles was less than three quarters of a million. During and after the Great War, the industry has made great progress, until to-day the number of mills have increased to 58, and the number of spindles have increased to nearly two millions including those under construction. The following are the chief particulares;

Nationality	No. of mills	No. of spindles	No. of looms	No. of employes
Chinese	22	714,614	5,890	44,134
Japanese	32	998,172	5,836	56,488
British	4	205,320	2,348	16,500
Total–	58	1,918,106	14,064	117,122

	Initial Capital	Annual Raw Cotton	Yarn Produced Yearly		Cloth Mfct. Yearly
Chinese	$ 40,000,000	1,599,125	piculs 171,586,000	lb	32,665,0
Japanese	45,000,000	2,358,585	185,777,000		40,000,0
British	8,500,000	390,000	33,820 000		15,000,0
Total	93,500,000	4,347,700	391,183,000		87,665,

Japanese Make Great Progress

The Japanese have made a most rapid and sensational progress in this industry in China, particularly at Shanghai. During the comparatively short period of 17 years, the Japanese are now operating 32 mills out of 58 in Shanghai, thus constituting more than 50% of the total spindlage. The factors that have contributed toward making them successful in this industry in Shanghai provides food for thought. Unlike the Chinese, the Japanese mills are backed by great financiers and bankers in Japan. They have organised these mills similar to the great trusts of America and Europe the initial capital is usually large and the methods of factory management are similar to those in the west. Most of the organisers know the Shanghai market well. The daily production of Japanese mills is higher, and the overhead expense is much lower, than any other mills in Shanghai. In good years when large profits are made, they do not give it all to the shareholders as dividends like the practice of Chinese mills.

Capitalists of Japan Active

The Japanese control of China's cotton mill industry has been carefully worked out during the past few years. To dominate this industry in Shanghai means almost, if not entirely, to control the whole cotton industry of China, for Shanghai is the "Manchester" or "Osaka" or "Birmingham" of China. During the recent years of business depression, Japanese capitalists have bought three large Chinese owned cotton mills amounting to almost 150,000 spindles, and a large British mill of 45,500 spindles and 5000 looms, and there is a rumor that very soon another foreign owned mill will soon pass into their hands. Likewise it is also believed in certain quarters that the Japanese will soon control other basic industries, in China such as iron works, cotton seed oil mills, and so on.

The Silk Industry

The silk filature industry ranks next to the cotton. Up to 1890 Shanghai had only five silk filatures, but at present there are 80 steam silk filatures with about 20,000 basins employing about 120,000 operatives, nearly all of whom are women and children. The largest one the Soey-lung

Light, air, and healthy working conditions surround the laborers of the B. A. T. Company

Silk Filature is equipped with 500 basins, and employs 3,000 operatives. The company was organised in 1900 with an initial capital of $1,000,000. All Shanghai filatures are equipped with machines of Italian type, larger than the Japanese, type machine. The average filature is equipped with from 100 to 400 basins in brick two storied buildings. The capacity of a steam filature is reckoned by the number of basins with which it is equipped, basin being a machine unit capable of producing from $10 to $12 worth of raw silk in a working day of 10 hours. All silk filatures are under the Chinese control, but recently it has been reported-that a large silk corporation in Japan is planning to erect a filiature in Shanghai similiar to filiatures recently erected in Tsingtao and in Soochow, Kiangsu.

China a Large Cigarette Market

China, owing to its large population, naturally presents vast opportunities in many lines of industry, hence from the standpoint of workmen employed, the cigarette industry probably stands third in rank, being exceeded only by cotton and silk. Like the cotton milling industry, the manufacture of cigarettes owed its genius to foreign enterprise.

Since the May 30th troubles of last year, many new cigarette companies have been started. At one time it was reported that there were as many as forty new companies in the field. Some of these companies are equipped with one or two machines while others simply buy cigarettes from other companies and put their own labels on the packages. The largest and most important cigarette factory is that of the British-American Tobacco Company, the next being Nanyang Brothers Co., a Chinese concern. In 1890, Mustard & Company, an American concern, began to import American cigarettes into China. In 1891, this firm brought the first cigarette machine to China and manufactured the first cigarettes ever made in China. Mustard & Company, still exists and is now associated with the British-American Tobacco Company. In 1902, the American and British manufacturers of cigarettes combined and organized the British-American Tobacco Company with a capital of about five million pounds, sterling, with principal offices in New York and London. Nanyang Brothers Company was organized in 1906 in Hongkong by the late Mr. Kan Chiu Nan, a Cantonese industrial magnate. Nanyang Brothers original capital was one hundred thousand dollars but in 1919 it had been increased to fifteen million dollars. The following are particulars pertaining to cigarette manufacturing in Shanghai:

British-American Tobacco Company:

Number of factories	3
Number of workmen employed	15,000 to 20,000

Nanyang Brothers Company

Number of factories	2
Number of employes	3,000 to 5,000

Other Factories

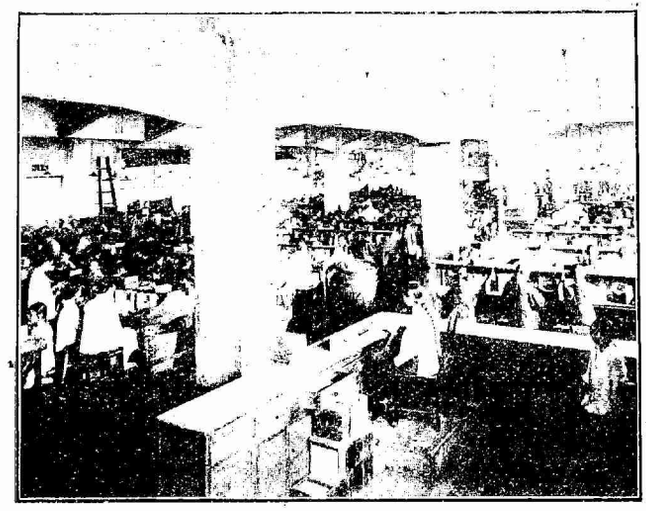
Number of factories	30
Number of employees	1,500 to 2,500

Since the cigarette business is usually dull in the summer season, these factories usually operate at a somewhat lower capacity during the summer months.

Flour Milling Also a 'Giant"

The flour milling industry is becoming of increasing importance, the oldest mill in Shanghai being the Mitsui Flour Mill, which was established in 1896 by Japanese interests. There are 19 flour mills now in Shanghai, the largest being the Foh Sing No. 7, which was established in 1918 with an initial capital of $1,500,000, and employs 300 operatives. The product is being exported principally to Manchuria, Strait Settlements, and Japan. Harbin is also a great flour milling center in China. The following figures tell the story of flower milling in Shanghai:

Number of mills	19
Daily output	120,400 bags of 49 lbs.
Total initial capital	$10,000,000
Number of machines	456
Number of operatives	3,000 when factories are in full operation



In Nanyany Bros-Tobacco Company's Modern Plant.

This industry like silk is almost entirely under Chinese control with exception of the one Japanese mill. It has been prosperous since 1914, particularly since 1918, when the foreign supply was cut off due to the Great War. Thirteen out of the 19 mills now operating have been started since 1914.

Shanghai Also Manufactures Paper

The first modern paper mill was erected by a Japanese in Pootung in 1900. After the boycott against the Japanese goods during 1918, this Japanese mill was sold to a Chinese. Now there are four modern paper factories in Shanghai including one under construction. The most prosperous one is the Imperial Paper Factory located in the Lung Wha area, two miles from the French Settlement, which employed many Japanese experts at the beginning of the operation, but which is now operated entirely by Chinese. The present factory site occupies 60 mow of land. From 1918 to 1924 inclusive the annual gross profit was $ 500,000, which was equal to the initial capital the total gross profits have been more than $ 4,000,000 since its inception, and the managing director has never considered the extension of the business. All the profits have been given to the shareholders, hence during the past two years, the factory has been operating on day shift only and the business is said to be very bad this year. The machinery was made by the Beloit Iron Works, U.S.A. Working hours are from 6 to 6. The following are particulars regarding the Paper business:

In the A. B. C. Underwear Factory

Names of Factories	*Location*	*Year Established*
Imperial	Lung wha	1906
Tien Chang	Yangtsepoo	1910
Tien Chang	Pootung	1900
Jang Nan	Jessfield district	1925

Number of Machines	*Daily Production*	*Number of Operatives*
2	160,000 (lbs of wrapping paper	220
1	80,000	100
3	200,000	300
2	Not known	Not known

The New Glass Industry

The modern glass factory is another new industry in Shanghai, of which there are 17 such factories in the city and among them are the Paoshan Glass Factory which is operated with Japanese capital of $ 500,000, and employs 150 workmen. This is the largest factory. There are also a number of factories operated entiry by Chinese. Among them the E-chang Glass Company is the largest with a capital of $150,000, and empelys about 100 Workmen. Next comes the Kung-Yi Glass Bottle Manufacturing Co; the Chung Wha numbers 1 and 2, and Shanghai Glass Company. The Kwang Man Glass Factory is also making hot water bottles, another new industry in China. Its daily output of bottles is around 200 the price of which at retail is about $1.50. The number of employes in the above mentioned five factories is about 350. The output of all the Chinese plants is confined to bottle glass and ordinary glasswares, chiefly consumed by drug stores, perfumery, confectionary, and wine companies, and department stores. The average wages are from 30 cents to $1.00 a day. The material used in manufacturing is chiefly broken glass.

Steel and Iron

The prosperity of steel and iron works has closely followed the prosperity of other industries, particularly that of cotton and depends largely upon the latter for business. The Shanghai Arsenal according to report, is to be converted into an iron and steel works according to the plans. The company will be partly owned by the Government, and will be capitalized at $3,000,000 including $1,000,000 for land, building, and machinery, etc. of the old Arsenal. The next largest plant is the Wouching Iron and Steel Works in Pootung with an initial capital of $1,400,000, the monthly output of which is 1,200 tons of steel and iron goods. The factory was organised in 1924, the site of which occupies about 80 mow of land. The best-known and most prosperous plant is the China Iron Works at Woosung which was organised in 1922 by practically all cotton mill owners in China. It manufactures only textile machinery, machines, gears, etc. It is now busily engaged in manufacturing five hundred looms for local cotton mills. The regular working force is little more than 300, but now three shifts are employed in 8 hour turns. The day workers get from 30 cents to $1.00 a day, while the night workers receive double pay. The initial capital of the company was $300,000 and since the business is so prosperous, the company is considering to ncrease more capital shortly.

The Match-Making Industry

During the past 15 years or so the match making industry has become important all over China, particularly in Shangtung and the central Provinces. Out of 260 factories in China, Shanghai has only 8 or 3% of the total. Formerly Japan and Sweden supplied the Chinese market with their goods. The chief reason why so few such factories have heen located in Shanghai is chiefly due to the difficulties of transportation and small capital required for the erection of the match factories in the interior towns. Among the plants in Shanghai the Yung Chong Match Factory is the largest with an initial capital of $600,000 and employs about 6,000 persons. This company has many branch factories in interior towns. Practically all the materials for match making are imported from Japan, which explains why so many Chinese-owned factories employ Japanese experts.

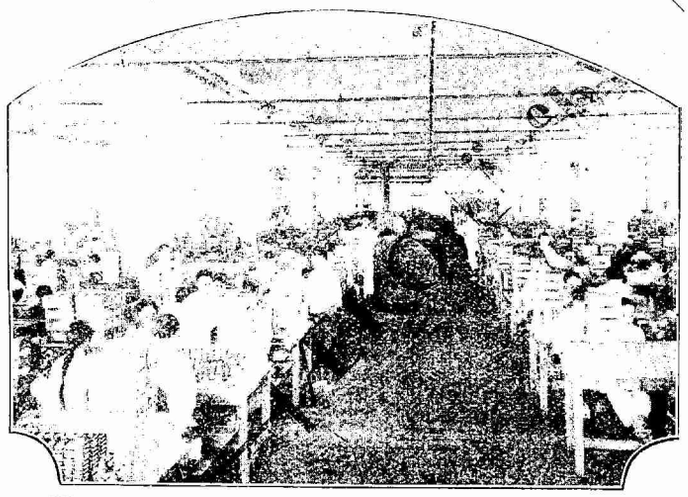
Cement also a Growing Industry

There is a great future for the cement industry in China, particularly in Shanghai, due to increased construction of Western types of reinforced concrete factory buildings, office buildings, and modern hotels and other Structures. Since China has imported, on

the average of 3,000,000 piculs of cement annually during recent years, and Shanghai being a great consumer, the cement industry is looked upon as a most promising business in Shanghai for the future. Many factories in Shanghai are called cement and tile works, but do not make cement. The Shanghai Portland Cement Works is the only one in Shanghai, which was established in 1918 and operated in 1924 with a capital of $3,000,000 divided into 30,000 shares of $100 each. The machinery is of German make. The daily output is 1,200 barrels, which is consumed locally. The product is sold either in sack cloth bags of 187 lbs. each or in barrels of 375 lbs. each. More than 300 workmen are employed.

Knitting Industry also Growing

The Knitting industry was introduced into Shanghai in 1917. Hongkong was once the largest knitting center, but now Shanghai ranks first. Besides hundreds of "cottage" factories equipped with hand machines, there are about 60 modern factories equipped with 1,000 power machines, all of which are of American makes, namely, Scott and Williams, Banners, and Brinton. The total output daily of all these factories is around 5,000 dozen pairs, a greater percent of which is being exported to North China, the Strait Settlements, and the other Asiatic countries. The pioneer Knitting Factory located in Yangtsepoo, is the largest, which is equipped with two hundred power machines, and employs three hundred operatives in each shift. The initial capital was $500,000, but has been increased to $1,000,000. Cotton, mercerised, and silk half hose and ladies long stockings are knitted, the latter being principally for export. The factory is equipped with a complete dyeing and finishing plant besides the paper boxing department, the latter is only one of the kind in operation among the knitting factories in China



Women Workers Packing Chinese-Made Cigarettes at the B-A-T Co. Ltd.

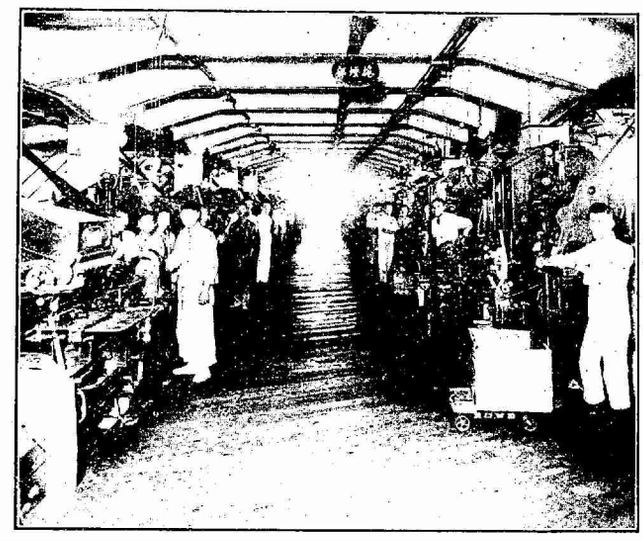
Four returned students from America and other European countries are in charge of the works.

New "Foot Ease" Mill also Prospering.

Shanghai has ten modern underwear factories-nine of which are knitting ribbed underwear for domestic consumption, and the other is called the "A. B. C. Factory", which is manufacturing goods similar to that of B. V. D. in America. The oldest among these mills is the King Ling Knitting Factory established in 1900, which is equipped with German machinery. The largest among these is the Ching Foong Factory, which is equipped with 12 Tompkin body machines, 8 Brinton body-machines, and 6 Brinton ribbers, all of which are of American makes. This indusrty is considered a most promising one in Shanghai at present for small capitalists. The "A. B. C." Underwear Factory was organised in 1919 with an initial capital of $50,000, but has been increased to $250,000. It is equipped with 50 American looms. Top shirts and underwear of various descriptions for men, women, and children are manufactured.

Carpets and Rugs

The carpet and rug industry, although it is very o'd and has flourished in both Peking and Tientsin, is rapidly becoming an important industry in Shanghai. There are five large and fifteen small rug factories in Shanghai employing about 1,000 operatives. The adult workers are paid by the piece, while a great number of apprentices receive very meager pay with free board and lodging. The Elbrook Carpet Factory located in the French Concession is the largest. It was established



Another View of Nanyang Bros-Tobacco Plant

in 1908 with a capital of $300,000, and now employs 300 operatives. All the output is for export, particularly to America. As Elbrook & Co. is an American exporting firm, it also operates two large factories and one woollen mill in Tientsin. Since practically all the output is for export, the future outlook is exceptionally bright in Shanghai for this kind of industry.

Electrical Supplies

The manufacture of electric supplies is in its infancy. The Edison Plant, an American enterprise, located on Robinson Road, is now supplying nearly all the electric lamps in the Chinese market. The National Electric Company, organised by returned students, is making motors of small sizes and transformers in a small scale. The Wha Shing Factory, which was originally an iron works, is now manufacturing electricans of 16 inch size. Because it is a new business, the company made only 2,000 fans at first. This season 6,000 were manufactured, all of which were sold before the end of August. Every part of the fan is manufactured in Shanghai by Chinese labor.

Shanghai also Makes Ink

The printing ink industry is quite a new one in Shanghai, the rapid development of this industry being due to the rapid growth of the publishing houses. A million dollars worth ink is being imported every year, mostly from Japan. The high grade publishing houses are still inclined in favour of the imported goods, but there are 7 such factories in operation here some which of are equipped with only one o

two machines. The machines of a smaller type are manufactured in the local iron works, while the larger ones are imported. Five of these factories are located in the Chapei district. Among them the Chung Yuen Printing Ink Company, Paoshan Road, Chapei, is the largest. It was established in 1917 with a capital of $30,000. Its monthly output is about 50,000 pounds. The Commercial Press Printing Ink department produces the largest variety, almost all colours, and does the largest amount of business, since its output is practically all consumed by the Company itself; only occasionally are orders filled from other publishing houses.

For Mi-Lady's Toilet

The manufacture of cosmetics is also becoming important in Shanghai. Where there are 15 factories manufacturing perfumery, toilet articles, hair tonics, and tooth powder. Among these the "H. A." Manufacturing Company is the largest and oldest in Shanghai. This company was established in 1918 by

Pleasant Surroundings Are Arranged For B-A-T Factories

overseas Cantonese with a capital of $500,000. At first a German chemist was employed. The number of operatives is around 200 when going at full capacity. The principal machinery was imported from America, although some smaller machines came from Germany. The gross amount of business done annually is about $400,000. The Hwang Sang Hong Company has a large retail store on Nanking Road, but the factory is in Hongkong. This industry is seriously hindered by the credit system, which is exteneded which makes collections difficult in the interior. In addition to the manufactures of cosmeties there are numerous soap factories operated on a small scale the Shanghai area.

Iron and Brass Beds

The demand for iron and brass and foreign style bedstead has been increasing rapidly during the last decade, in order to meet the demand. The manufacture of these articles began in Shanghai in 1920. The pioneer concern was the Wang Shen Hsui Factory, and besides this, there are more than 30 other shops equipped with machinery. Due to competition the price of iron beds has been greatly reduced. Brass beds may now be bought from $35 to $60, while iron beds of cruder make are sold, from $10 to $15 at retail stores.

The Making of Cotton Tape

Cotton tape for binding parcels is being manufactured on a small scale in Shanghai. There are 14 such factories located in the Nantao section and also several located in the Chapei district. The Wha Shing Cotton Tape Factory loated at West Gate is one of the largest and the best known. The larger factories operate from 3 to 6 machines, while the smaller ones operate two only. The average initial capital for such factories is from $1,000 to $5,000. The operatives receive very low wages, from $5 to $10 per month with free board and lodging. The equipment of each machine is between 80 to 90 cylinders, each of which is able to produce 300 yards in a working day of 10 hours. This kind of tape is used as a substitute for jute yarn.

The Production of Toys

Toy manufacture in Shanghai is one of the newest industries. There are three toy factories in Shanghai, namely, the China Industrial Training Works, the Ngai Kuo Manufacturing Company, and Yen Sun Chi Factory, the latter being the oldest. About 50 varieties of toys are manufactured, of wood, rubber, imitation brass, tin, and clay. Although toy making is an old handicraft in China, it is only within recent years that Machinery after the fashion of western factories has been introduced. The products are marketed largely in Shanghai, but some are distributed in the Strait Settlements, and in the General provinces. Each of these factories employs from 30 to 60 workmen, and each has retail store outlets.

The Tanning of Leather

The demand for leather goods and shoes has greatly increased in recent years. Tanneries have been established in a great number all over China, seven being in Shanghai. The most important are: The Belgian Leather Factory, The China Leather Factory, and a Factory owned by Japanese. There are four egg plants, which are operated by foreigners, the product of which is chiefly for export. The China Egg Produce Company does a considerable business in fresh and frozen eggs, and a large percentage of the eggs collected by wholesalers in Shanghai are sold to this company. The egg packing plant of the Amos Bird Company, an American enterprise, uses over 1,000,000 eggs daily. Shangtung Province is a large egg producing center, and it is also a great egg manufacturing center. The reasons why Shanghai is not a large powdered egg manufacturing center is due to the difficulty in the transportation of fresh eggs from interior towns. The oil mill industry also prospers in Shanghai the oil being pressed from bean or cotton seed, the latter constituting a new source of the supply. There are three Japanese, one American plant owned by Andersen, & Meyer Co; the latter not yet in operation. In addition there are 7 large and 30 small Chinese mills. There are two modern sugar refineries, one owned by Japanese being located in Yangtsepoo, and the other, called the China National Sugar Refinery Company, which was organised in 1920 with a subscribed capital of $ 10,000,000, only 25 % of which has been paid up. Operation began in fall last year, but suspended in the spring of this year. The plant is located at Woosung.

Reasons for Foreign Leadership

Many important industries., particularly cotton and cigarette manufacturing are under the foreign control and management, the reasons why Chinese can not compete being numerous. All foreign industrial enterprises in Shanghai, as well as those in China, generally are either branch plants of larger factories

(*Continued on page 70*)

Many Recreation Parks Add Beauty and Provide Breathing-Space For Shanghai's Growing Population

By Louise B. Wilson

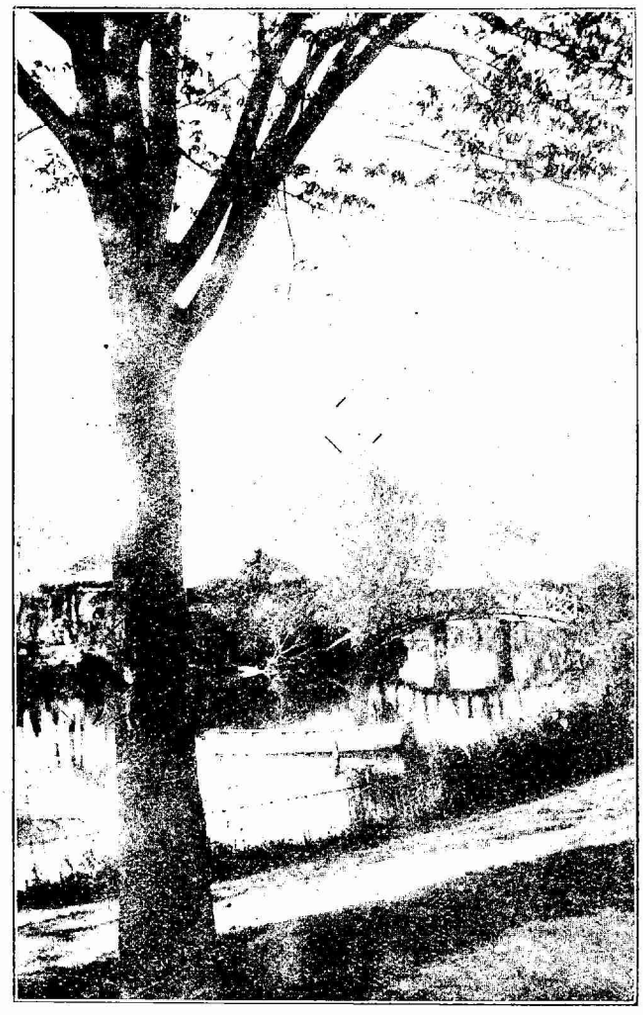
WHATEVER questions may attach to the obligations of foreigners to admit Chinese to the Parks of Shanghai, the beauty of certain of these bits of greenery fostered by the Gardeners of the Municipal Council, and the fascinating history of their acquistion remain indisputable facts.

It was for this reason that the writer not long ago made a search through the records of the past in order to trace the growth of the city as shown through the acquisition and ornamentation of public parks for recreational purposes in the city's life, and the results following from the search were something in the nature of a trip to the country, after which one feels unconsciously refreshed through contact with nature.

There are, in spite of obvious needs in the way of additional recreational facilities, innumerable ways of enjoying Nature in Shanghai, and the parks head the category. At the present time, however, much is being heard about "Greater Shanghai" and for this reason the parks of Shanghai deserve mention, if for none other.

To begin with the oldest of all, there are the Public Gardens on the Bund. Legend has it that about the year 1860 a junk floundered and was sunk off the shore skirting the British Consulate in Shanghai and that thereafter silt flowed over the junk masthead until the processes of nature left nothing more than a legend to prove the fact.

The Public Gardens' Genesis in reality began in June of 1868. when as recorded in the Municipal Gazette for 1870, the local Taotai, "set apart the portion of the jetty from Peking Road up to the Soochow Creek to be used as a recreat onal ground for foreigners". In those early days the Bund was a quaint spectacle. Carriages raced along it until public indignation was aroused in the correspondence column of "The North China Herald". British men-of-war manoeuvred in he Woosung River (Soochow Creek) whenever they happened to put in an appearance, now deemed antiquated by observers of foreign men-of-war in the Huangpu of the present. Several major hong buildings dotted the sky line on the Shanghai side and a stretch of broad flat land, unmarred by the touch of modern industry marked the Pootung side of the river.



A Scene In Hongkew Park

In the early days, the Bund Gardens were a social centre. Leisurely promenading formed a summer evening there. Foreign ladies by the year 1850 had arrived in the port and after the coming of modistes and milliners in 1858 social gatherings became even more decorative in the Gardens. On summer evening the wives and daughters of the managers of the big hongs came to the Gardens with their entourage. It was always something of a discreet race, according to the old records as the first lady to arrive in the evening received respects from all the men already in the garden. Social amenitties were observed at firast by way of conversational strolling and then sipping of cool drinks dispensed by hovering "boys". Latre music became the rule of the evening and strains of the light sentimetal ballad of the time hled an especial enchantment, it is to be supposed, when the evening star was mounting over the river, clarified with dusk, and when the cool breezes of the summer night played among the trees of the Gardens

Then cam e aperiod in Shanghai's history when the commercial importance of the port loomed larger and the pleasant amenities of the old days waned. There was "an influx of persons not acquainted with the usages of the town" we are told and the Public Gardens became in a somewhat truer sense, public.

Many years passed with much silt flowing down the Huangpu. Then in 1922 the confines of the garden were extende to what is now known as the Point. The original idea of having four or five large flower beds on the lawn with promenades around was somewhat modified. Benches appeared, likewise, summer houses. A rockery and waterfall made a pretty shaded portion at the south end of the Gardens and a new refreshment kiosk erected in 1923 gave evidence of the patronage now being extended freely to the Public Gardens, At the present time the Gardens are the haven of all manner of people on summer evenings, quiet strollers listening to the playing of the band, watching the river, others, chattering, and all showing the diversity of Shanghai's

population. It is perhaps for this reason that despite its seniority over other parks, the Bund Gardens retain a certain youthful zest which only contacts with many kinds of personalities can bring.

The Public Recreational Ground

Next in seniority comes the idea of if not the present site of the Public Recreational Ground at the Race Course. There has always been heard in Shanghai the cry, "Give me a horse I can ride" and imported Arabs, Australian horses and a smattering of Mongolian ponies appeared upon the scene very early in the history of the City. Likewise, the appearance of the first race course and recreational ground privately owned can be traced to the same instinct for the sport.

Some 80 mow of land situated in the present down-town area and bounded on the east by Barrier Road (now Honan Road). on the north by Park Lane (now merely Nanking Road), and with the present extended Ningpo Road running through the centre of the park comprised the first recreational ground. The spring Race meets, as reported in 1850 by a slightly caustic reporter left much to be said for them, in spite of the new facilities. "The course is in wretched order" testified the exponent of rapid development, and in 1852 the same pen states that "only a bevy of beauties rescued the meet from being an utter failure" which speaks well for Shanghai ladies of a distant day. But the races "did for once come off on the scheduled day" comments a reporter with an eye for compensation in 1858.

When buildings began their encroachment and sport proved too energetic to be restrained a new course was laid out in 1862 by certain residents of the place who secured a site, with real estate astuteness, a little further out in the vicinity now occupied by the Town Hall and Louza Station and bordered by the Defence Creek, which even 20 years ago was looked upon as an integral part in preserving the peace of Shanghai in case of an invasion. The Defence has since succumbed to the bird-airers of Thibet Road and now makes a boundary for the present Recreational Ground and Race Course.

Purchase of a New Site

The Taiping Rebellion and the influx of countless Chinese into the Settlement sent land values up again. A new site was purchased opposite Mr. Gubbay's Shanghai Horse Bazaar in Bubbling Well Road with the amount netted from the sale of the old. These early transactions were entirely private ones, but public interest was soon attracted to a scheme sponsored by Mesrs. R. C. Antrobus, James Whittal, Albert Heard and Henry Dent, whereby the community played a part. A circular issued by the four esteemed gentlemen stated the need for procuring land which could always be preserved for popular recreational purposes, and announcing that the four in question had purchased 24 mow, 5 fun, 5 li of land in the centre of the Race Course which they proposed to give to the community. Those who wished to endorse the plan were invited to become shareholders, and arrangements and allotments were forthcoming in a short while. The orginal sum and the proceeds accrued from it were to be held in trust by appointed Trusties of the Fund, which has been an actuating force since its beginning in developing all kinds of sports and public recreations in Shanghai up to the present time.

In like manner the title to the 43 mow of land purchased in the Race Course in 1863 by the Fund for Tls. 12,500 was registered in the name of the Trustees of the Shanghai Recreation Fund. These Trustees are always four in number; one shall be the chairman of the Council, another the manager of the Hongkong and Shanghai Bank and two other members of the foreign community.

In records of the Fund it can be seen to what extent financial encouragement has been given to all kinds of recreational facilities. One sees under their respective headings and carrying their respective problems, the Shanghai Club, the Cricket Club, Rowing and Skating Clubs, Baseball, the Lyceum Theatre, the Museum of the Royal Asiatic Society, the Shanghai Wind Band and the annual Flower Show. To mention only a few of the parks, it can be said that the Fund Trustees had an important hand in the purchasing of the Hongkew Park and in Jessfield.

The Parade Ground for Shanghai Sportsmen

The Recreational Ground at present holds a unique and affectionate spot in the hearts of the community. It is the parade ground for Shanghai sportsmen who find diversity and intensity in the curriculum of sport maintained there.

Then one passes to some of the sheerly decorative spots among the parks of Shanghai. There is one bit of scenery much appreciated in the eastern district—the Wayside Park, whose atmosphere is like the spotlessness of a Dutch kitchen with shining copper ware and spicy odours. Its decorum has been carefully moulded along the lines of the Dutch Garden and a quaint Dutch kitchen of rusticwood is set at one end of the garden. Wayside is one of the more recent of the parks and it originated like so many through the need of a district to have more playing space for children. It was opened in 1911.

Its greatest charm is provided by the flagstoned garden bordered with neat squares of box-wood which scent the air with an old-world friendliness. There is also a lily pond which in season is filled with pink and creamy flowers supported on their enormous flat leaves and floating with wax-like fragility on the water. Herbaceous borders and old fashioned plants tranquilize the scene and from May until November, the park holds a special distinction in being decorative with seasonable flowers and plants.

From Wayside, almost by way of contrast, one may go to Quinsan Square. Formerly a duck pond, developed many years ago by the Shanghai Land Investment Company, this 10 mow of land stands in the centre of a crowded district and has long since surrendered before the somewhat dingy flag of victory waved by myriads of children from the surrounding district. In 1895 the Municipal Council asked of and received from the Land Investment Company the Square on the condition that it should be used as a public park. It has remained faithful to its calling and now adds much local colour to utility. Babies of many nationalities and from-baby-on-up are there in all assortments at all hours, except after the closing hour of midnight when the square is locked. Nor does any trace of the duck pond remain to mark the hilarious swinging and see-sawing, the tagging and the sand pile placidity which the Square now fosters.

Jessfield Fark most Expansive

From the drab environs of Quinsan one is of a mind to flee toward Jessfield, for whereas the "one voice uttereth Humanity" the other is primarily that of Nature and at all seasons is both distinct and musical. The imaginative origin of Jessfield shows plainly through the landscapes of the park. and one might almost believe that it is an old English park so generous in expanse of rolling lawn and ancient shade trees is Jessfield.

It began when the Recreation Ground was spoken of as failing to meet the increasing recreational needs of the western district, and in 1914 became a definite

(*Continued on page 61*)

Twenty-Three Years of the Motor Car in Shanghai Indicate Great Progress

By Verne Dyson

ONE hundred is a round, comfortable number to deal with, easy to remember, useful and dignified. With this notion of a century, a study of the automotive industry of Shanghai may profitably be begun, for an average of one hundred motor vehicles arrive daily upon the wharves of this port. These one hundred automobiles have one hundred empty gasoline tanks to be filled, one hundred drivers' seats to be occupied, one hundred awful horns to add their screech to the present clamor, one hundred batteries to waste away, and four hundred tires to go in quest of the inevitable tack.

Mr. E. Pinguet, Proprieter of the First Motor Car Repa ir Shop in Shanghai. He was Operating a Machine Shop in French Town When the First Motor Cars Arrived in 1903.

In tracing the final disposition of the one hundred gasoline cars which arrive daily in Shanghai, one may quickly learn of the superior position of this port in the motor car trade of China. One-half of the one hundred vehicles remain right here on the banks of the Whangpoo to fight for parking space on the Bund, creep along Nanking Road and roar around the Rubicon.

Yes, that's true. Half of the Chinese nation's motor cars park in Shanghai. In an automobile census of China, completed recently by Miss A. Viola Smith, assistant United States Trade Commissioner, the number of passenger cars in China was found to be 13,499. Of these, 6,288 were registered in the International and the French concessions of Shanghai. But that is not all of them. Miss Smith in the same report says:

"In the Shanghai district, the total registrations aggregate 7,804 motor vehicles of all kinds. A reliable seller of gasoline estimates that there are 1,000 unregistered cars in this district. This would bring the total up to 8,804. Mr. Fu Siao En, a prominent Chinese business man in a recent public address, advocating a good road between Shangha and Hangchow, stated that there were 9,000 motor cars in this district."

These are interesting present-day conditions, but this article should look in two other directions—to the past and to the future of the motor car industry. When did the first automobile arrive in Shanghai? The answer is 1903. The magic words "motor car" appear in the printed reports of the Chinese Maritime Customs for the first time in that year, when the total value of the imported gasoline vehicles was Hk. Tls. 7,021. No motor cars are mentioned in the customs returns for 1902 or for earlier years, so 1903 may be taken as the year when the industry began in Shanghai.

Physicians among First to use Motor Cars

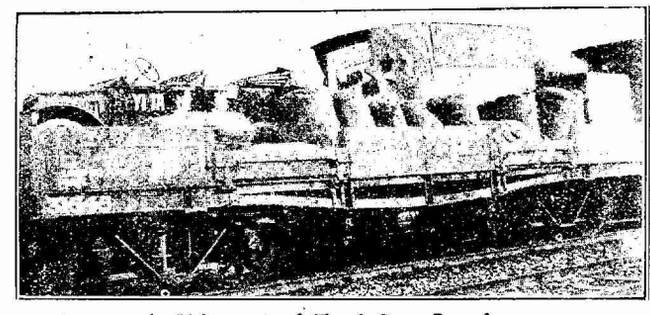
As might be expected, considering their necessity to move about swiftly, the physicians were among the earl est motor car owners. The very first machine, however, was purchased by a member of the staff of the American consulate-general.

"I remember that Mr. White of the United States consulate bought the first automobile imported into Shanghai," Dr. Robert J. Marshall said a few days ago. "That was in 1903. The late Dr. N. Macleod was the second motor car owner, and I was the third or the fourth with an Oldsmobile, steered with a stra'ght bar. Dr. Marsh was a very early motorist. My car was the first one to be used in connection with a wedding, for in 1903 I took Dr. Marsh to the church on the day that he was married."

Mr. T. C. White, not the Mr. White who was motor car owner No. 1 in Shanghai, recalls that Dr. Macleod's automobile had a curious end. It was overturned in the street by a mob of Chinese and ruthlessly burned in 1905 at the time of the Mixed Court riots.

Other pioneer motor car owners were Mr. George Tucker, Mr. S. K. Shen, a Chinese banker; and Mr. B. A. Somekh. Mr. Tucker startled the natives with a White steamer. Mr. Shen has driven a Ford continuously for sixteen years, while Mr. Somekh has had a motoring experience which is somewhat unique and which forms an unbroken chain between the present and an early era.

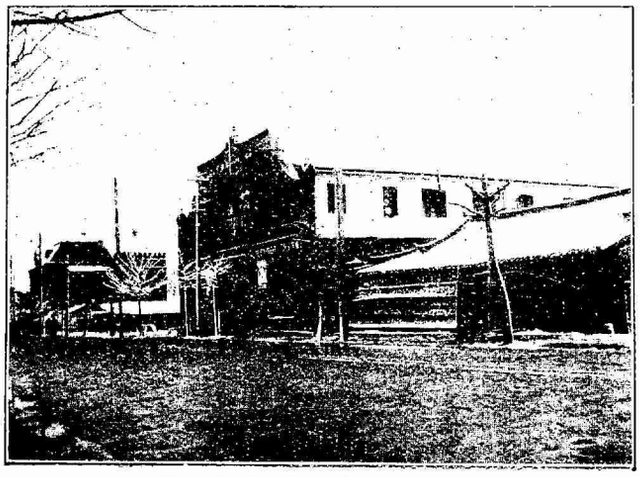
In 1909, Mr Somekh paid Tls. 5,000 for a Panhard-Levassor with a capacious, locally-built body. It was only last week that he drove this car into a garage for its first long rest. It had kept going faithfully all these years, travelling a total of about 150,000 miles, or a distance equal to six times around the earth. Because of its extremely long



A Shipment of Ford Cars Leaving Shanghai in Company with Miscellaneoue Freight

usage and its unusually large body, this car has for some years been the most familiar motor vehicle on the streets of Shanghai.

Where there are motor cars there must be garages, necessary and aristocratic evils of the industry. These magnificent establishments with their glittering lights at night, their tempting show-windows, and their wide, inviting doors had humble beginnings. We turned to P. H. Osterberger for the ancient history of the garages He, the proprietor of the Grand Garage Francais, was a pioneer in this important division of the motor car industry, and knows its beginnings.



Shanghai's First Large Garage

The Auto Palace on Avenue Joffre as it Appeared in 1907. It Was Opened by Mr. E. Pinguet for Sennet Freres, the Present Jewelers.

Mr. Osterberger became manager of the motor car department of the Horse Bazaar in 1910. He had come to Shanghai as agent for the Berliet car, a French creation and an early favorite which was handled by the Bazaar. Indeed, the French makes were among the first to arrive here, the De Dion Bouton coming as early as 1904 and followed, in turn, by the Renault and the Berliet. Mr. Osterberger went to France for war service in 1915. He returned to Shanghai in 1919 and founded the Grand Garage Francais, agents in China now for the Delage, Citroen and Talbot cars.

Auto Palace Earliest Large Ga age

When the first motor cars apperaed in Shanghai in 1903, so says Mr. Osterberger, there was a Frenchman, named E. Pinguet, who had a small machine shop at the corner of Avenue Joffre and Route Voyron. That shop began repairing motor cars and gradually evolved into a garage, but not an important one. The earliest large garage was the Auto Palace, opened in 1907 by Pinguet on behalf of Sennet Freres, the concern which has a jewelry store on Nanking Road at the present time. When Pinguet went to war in 1914, the garage was acquired by British interest which still own it. It was in 1911 that the Auto Palace began to import the Delage and the Brasier, pioneer French makes.

The International Settlement was somewhat behind French Town in developing garages. The first motor car mechanic, or "fitter," was a Chinese who, unfortunately, lived in Pootung. Dr. Macleod and other early motorists were greatly inconvenienced by this man's having his residence across the river.

The second large garage in Shanghai and the first one in the International Settlement was the Motor House, built in 1909 at the corner of Avenue and Medhurst roads on the site of Honigsberg's present service station. This was truly an international garage. The original owners were Guignard, a Frenchman, and Heiter, an Austrian. They sold in 1912 to Busch, a German, who had the agency for Hupmobiles. In 1915, Busch sold out to H. S. Honigsberg, an American, who has since flooded the town with Buicks from his garage on Bubbling Well Road. After purchasing the Motor House, Mr. Honigsberg opened show rooms and a repair shop on Nanking Road, opposite the old Town Hall.

The Horse Bazaar was the training school for another successful motor car dealer besides Mr. Osterberger. He was J. H. Hartzenbusch, a German, and the present owner of the Hartzenbusch Motor Co. on Avenue Foch, distributors of the Chevrolet and Pontiac Six. Mr. Hartzenbusch joined the Bazaar in 1910.

Chinese Begin in 1915

The Chinese began establishing garages about 1915, the pioneer being the Fei Lung on Avenue Edward VII. The present owners of Chinese garages in most cases were formerly employed in foreign garages where they learned the business. The Chinese have been opening new garages rapidly in the last few years, small ones mostly, until now there are about fifty of them in greater Shanghai.

A consideration of the foregoing simple, early beginnings leads to a review of the remarkable advancement made by the automotive industry in Shanghai. The following little table, made up from the customs returns, shows at a glance the increase in the number of imported cars:

Year	No. of Cars	Value in Hk. Tls.
1903		7,021
1905		36,000
1910		161,714
1915	169	300,153
1920	1,080	1,576,377
1925	1,220	1,637,905

Rather remarkable, isn't it? As another evidence of progress, take some figures from the traffic department of the International Settlement. The total revenue derived from the registration of motor vehicles in 1913 was Tls, 12,000. In 1925 the income from this same source amounted to Tls. 264,000. Compare, and think of the great advance.

A considerable amount of valuable new data on the automotive industry of Shanghai has been issued in recent months. The results of an automobile census of China, made by Miss A. Viola Smith of the United States Department of Commerce, were made public within the last few weeks. On July 23, last, a complete list of the motor vehicles, including the names of the various makes, registered in the International Settlement, was published in the *Municipal Gazette*. A similar list of the motor cars registered in the French Concession was issued officially on August 1.

New Information Recently Published

A surprising feature of the lists published in two concessions is the remarkably large number of different makes of motor cars represented. The people of each nationality, it seems, have their favorite automobiles, just as they insist on having the clothing, food and drinks which are characteristic of their home land. The result is that Shanghai has more different makes of motor cars than any other city in the world. There are registered in the International Settlement 179 different types of automobiles, 110 different kinds of motor trucks and 77 different brands of motorcycles. The motor car menagerie of French Town is not quite so varied as it has only 154 species of cars, 48 makes of trucks, and 36 varieties of motorcycles.

(*Continued on page* 60)

39-066

The Historic Shanghai May 30 Affair and What Has Happened Since in International Relations

By H. F. MacNair

MAY 30, 1925, ranks now among the dates of first importance in the history of Shanghai; whether it does not also constitute a date of significance in the history of China, and of Far Eastern International relations, is an interesting subject for thought. On this day—a Saturday—in the afternoon a crowd of several hundred composed of students, laborers, loafers and passersby, staged a demonstration in Nanking Road in the heart of the city, which culminated in a riot before the gates of the Louza Police Station. As a result of the critical situation, and mindful no doubt of the attack upon and burning of this station in 1905, municipal police including Europeans, Chinese, and Indians (Sikh), opened fire; twelve Chinese, including several students, were either killed or died as a result of wounds; seventeen others, were wounded, and more than two score students and strike sympathizers were arrested. On the following Monday, coincident with the holding of an inquest on the bodies of the dead, rioting broke out again on the corner of Nanking and Chekiang Roads, as a result of which three more were killed and fourteen injured. On Tuesday, June 2, shortly after six o'clock in the evening, an attack upon foreign police, Volunteers and civilians was made from the roof of a pleasure resort on the corner of Nanking and Thibet Roads. All three riots occurred within a short distance of the Louza Station. In the third, one man was killed and a few others, including one foreign Volunteer, wounded. As a result of these riots a general strike was instituted by the Chinese which for the greater part of the summer seriously affected foreign and native business of all kinds including shipping.

I

The *immediate* causes of the outbreak in Shanghai were, apparently, two in number: first, disturbances in certain Japanese mills in the city which resulted in the injury of several Chinese laborers and the killing of one by Japanese overseers on May 15; second, the attempt on the part of the Shanghai Municipal Council to secure the passage of certain proposed by-laws, notably one to increase wharfage dues and another to regulate publications within the Settlement, of which Chinese interests thoroughly disapproved. For several days followintg the killing of the laborer, Municipal police guarded the Japanese mills. Although a lasting lockout was known to be the object of the strike leaders in these mills, and much criticism had been aroused by the arming of the Japanese overseers, it had been thought that the trouble could be settled without serious difficulty. As regards the second cause mentioned, a Special Meeting of the Shanghai Ratepayers had been called for June 3; it was hoped by the Municipal Council that the proposed by-laws would be adopted at this meeting. The outbreak which occurred on that day was apparently planned for the hour at which it was supposed the Ratepayers' Meeting would break up; lack of a quorum led to a failure to hold the meeting, and those attending left the Town Hall three quarters of an hour before the attack from the roof of the pleasure resort on Nanking Road began.

The firing upon students by order of a foreign police officer in the International Settlement on May 30, constituted a match to a long set fuse which caused a series of explosions heard over a considerable part of the country. Not mob, but racial psychology, and a widely spreading consciousenss of nationalism were the essential factors in the situation which arose. Had the shooting been done by Chinese police only in a Chinese city quite naturally nothing like as much would have been heard of it; the truth of this has been demonstrated since in Peking and in Chengtu. Moreover were a mob of English or American students and laborers to get beyond control and attack a police station in London or New York filled with arms and ammunition, as was the Louza Station, they would be handled as was the mob in Shanghai. The duty of the police administration in any city is to maintain order and protect life and property from the assault of disorderly elements. In the measures which they took the police were protecting Chinese as well as foreign life and property. Had the attacking crowd been composed of Europeans, Americans or Japanese, instead of Chinese, similar measures to maintain the peace of the city must have been taken by the police. Nevertheless such statements do not precisely cover the situation in China, inasmuch as the racial customs, experience and mentality of a people quite different from Westerners are involved. To the average European the affair was simple enough as was shown by the matter of fact tone of the official report issued by the police a few hours after the affair.

Students of Real Influence in China

But to the average Chinese the incidents presented quite a different front. Two factors need primarily to be considered. In the first place although the Chinese as a rule are peaceable, industrious, and gentle, they are to a degree an undisciplined people—more undisciplined, perhaps, than any other highly civilized cultural group. Because of this a Chinese official often goes to great lengths to avoid asserting his authority by force in a clash with those under his jurisdiction; but when occasion demands it the heads of his undisciplined and stubborn subjects are taken in large numbers. By terror and wholesale punishment lack of discipline is overcome, since China's rulers have long held the magistrate responsible for order within his district. In the second place, the position of the student in China is unique and the students were the nominal, if not the actual, leaders on May 30. Reverence for literature and the printed word is great; combined with it is the respect for him who reads and expounds it. For hundreds of years prior to the fall of the late Ch'ing dynasty the straight road to power and wealth led through the Hanlin, or Forest of Pencils; without passing a series of literary examinations one could not hope for high official position. Consequently the position of a student in China is enviable, honorable, and almost reverenced. Nor is the student movement itself as new as many suppose. It is not merely to the year 1919, when, as a result of the awarding of Shantung to Japan by the treaty of Versailles, the present stage of the movement was entered upon, that the movement can be traced. Through earlier dynasties, as far back as the Han, Tang and Sung, accounts of student movements are to be found on occasion when the government was weak and the country in danger. The student class has traditionally been counted upon as the ultimate hope of the land. Many of the cartoons and comments by foreigners published in treaty port journals in respect to the difference

between the attention paid to students in China and in the West, while sometimes amusing, show a deal of ignorance on the part of their authors of the differnces in the customs of East and West.

II

As a result of the unhappy developments in Shanghai, and of the causes which constituted their background, dangerous anti-Japanese and anti-British flare-ups occurred throughout the Yangtse valley as far west as Chungking, northwards to Tsinanfu, Tientsin, and Peking, and southward to Foochow and Canton. No such unrest and excitement had spread through China since the days of the Boxers twenty-five years before. Indeed, it is doubtful if there was as deep-seated a discontent and widespread anti-foreign feeling prior to 1900 as there was in 1925. The earlier movement having a foundation largely of ignorance and superstition appealed mainly to the rabble, but the present movement is based upon much clearer knowledge of conditions and is led, and at times controlled, by the student and intellectual tclasses.

Misery Caused by Military Worse than Before 1900

Prior to 1900 the unrest was caused by a combination of foreign aggression, with internal weakness, incompetence, and jealousy among the rulers of the country itself; in recent times although there have been no acts of foreign aggression comparable to those between 1894-1900, there is more weakness and misery throughout the country, caused by militarism and banditry, than there was in 1900. The Washington Conference attempted to save China from the evil effects produced jointly by her own wrongdoing and the past influence of the foreign powers in the country. The good effects of Washington were largely nullified however, by the action of France in withholding for three years ratification of the Washington Treaties ostensibly because of the Gold Franc dispute.

Prior to 1900 Russia's aim was to push eastward across Manchuria to Korea, and through northern China to the Yangtse river. Japan had recently strengthened her position by defeating China in war as a necessary step toward assuming the hegemony of eastern Asia. At that time, nevertheless, it did not suit either of those powers to withdraw publicly or completely from the coöperative policy then being pursued by the powers in Peking; both were paying lip-service to the recently enunciated Hay policy of the Open Door. Now conditions are different. Since the recognition by Peking of the Bolshevist government of Russia, with the concomitant elevation of Comrade Karakhan to an ambassadorship, the former policy of coöperation has been broken. Soviet Russia is clearly as imperialistic as was ever the Russia of the Tsars. This is conclusively shown by her policy of aiding Mongolia to break away from China, protesting against the building of the Taonan-Tsitsihar Railway—which means that Russia considers northern Manchuria as constituting a Russian sphere of influence regardless of the international consortium and the Washington Conference,—breaking off her agreement with China that fifty per cent of the employees on the Chinese Eastern Railway should be Chinese and her obvious intention to use that line for her own interest exclusively, and her failure to carry through negotiations for a final settlement of outstanding questions in accordance with the treaty by which she gained recognition from China. These are strange developments considering that the so-called "Imperialistic Powers," the United States, Great Britain, France, and Japan sent delegates in the autumn of 1925 for the holding of the Tariff Conference and the formation of the Commission on Extraterritoriality provided for in the Washington treaties. In spite of all proofs of Soviet imperialism Comrade Karakhan has until recently posed in Peking as the good friend of China in the grand Russian manner of 1895-1900, when Li Hung-Chang played the role of the shepherd who guided the Chinese lamb into the Russian fold.

Russia Deceives Chinese Students

It is clear that the student and laboring classes are being controlled and exploited to a considerable extent, by Russian agents of Bolshevism. The students have strenuously denied any connections between their organizations and those of the Bolshevists, and have held that their movement is in no way anti-foreign. This is to be expected—not, as many have believed, because the students themselves are attempting to deceive foreigners, but because a large majority of the students themselves are deceived as were their fathers by Russia a generation ago. However much one may disapprove of a condition of society which renders it possible for immature students to break all bounds, as has more than once been the case since May 30, no person in any way acquainted with the student class can doubt the patriotic motive of those who are participating in the present movement. Propaganda reached a high degree of cultivation during the world war, and adepts at Russian propaganda are behind the scenes—not far behind either—in the student and labor troubles in China of today. It must be admitted, however, that the rising cost of living in China and the conditions among which many of the laborers work, render the task of agitators relatively an easy one, particularly in the industrial centers. All promises not to prejudice the interests of Great Britain in Asia, and those of Japan, to the contrary notwithstanding, Bolshevist agents have long been engaged in undermining the position in China of the "capitalistic" powers Great Britain, the United States, France, and Japan. Russia was not invited to attend the Washington Conference and, like the wicked fairy of Sleeping Beauty fame, has done everything possible to wreck the plans devised at that time for China's salvation by evolutionary means.

Russia and Japan

As to Japan's attitude toward Russia it would appear that this is a two-sided question, and that the two sides come near being contradictory. In so far as Russia is attempting to weaken the influence of Great Britain and the United States in China, she is likely to have at least the sympathy of Japan. It must always be borne in mind, however, that the government of Japan is of the governments of all the great powers the most conservative and autocratic. It is not, therefore, an easy task for Japan to coöperate with Russia in China even when it appears that the two countries have temporarily a similar policy. Moreover, the policy of Russia and Japan can be similar only temporarily, for Japan's basic policy is pan-Asianism with Japanese hegemony over eastern Asia accompanied by the exclusion of European influence east of Suez. Russia while willingly coöperating with Japan to weaken Great Britain and America in China, certainly has no intention of aiding in the expulsion of the white man from eastern Asia, or the building up of a greater Japan in that area and the Pacific. Japan to a considerable extent holds the balance of power. Her trend depends largely upon how far the anti-Japanese movement in China is carried; for the present, however her policy is definitely opposed to intervention.

III

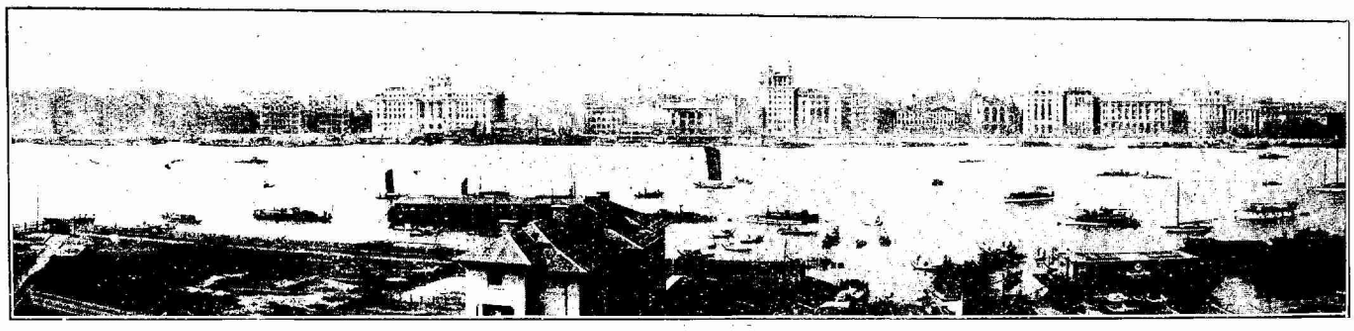
The position of all foreigners is directly or indirectly affected and not merely that of the

(*Continued on page 72*)

39-068

Shanghai—"The Paris of Asia" is a Haven of Pleasure for Thousands of Tourists

By Geo. J. McCarthy.



The Bund as Seen from Pootung

WHY does Shanghai rank with the world tourists as the most popular place in the entire Orient? What is the lure of Shanghai above every other city, not only in China, but in the entire Orient? Is it because of any one outstanding scenic feature? No, Shanghai has none. Is it due to any other single feature or many different features which are not offered by other cities all over the world or more particularly, by other cities of the Orient? No, Shanghai cannot claim any special attraction for tourists, the like of which might be used by other cities as advertising features for drawing visitors. The attraction of Shanghai to the visitor must be that indefinable and undefined thing which we old-timers designate as "The Lure of the East."

The purpose of this article is to show the volume and value of the so-called "tourist trade," which passes through Shanghai every day of the year. Many and varied are the channels through which this vast traffic comes to our doors. To describe its sources would require a map of the world and the simple statement that our visitors come from practically every country on the map. From the East, from the North, South and West, and all points in between the human stream is ever flowing and ebbing, with every change of the tide on the old Whangpoo, nor can we overlook the arrivals and departures at the railway terminals.

Visitors Come In Various Crafts

They come to us in all manner of craft, ranging from the great steamers from America or Europe, down through the varying sizes of China coasters, to the well known and easily navigated sampan, and not a few have arrived via the air route. The very variety of craft makes it impossible to strike a fair average of the number of arrivals per day. And, besides, there is somewhat of a difference between the regular and casual visitors, and that genus *homo* known as "The tourist."

This is a story of "The tourist" and therefore we are not dealing with the commercial man from all over the world, who comes here to sell his wares, nor the business man of Tientsin arriving to fix up a little deal, nor the Chinese politician from Peking or Canton who seeks relaxation from the cares of office. Neither shall we consider the "foreign missie" arriving from any of the nearby cities, possibly to have a look at a new French frock, and to take back home with her a head of fresh lettuce and a few other necessities. These are all the regular traffic, borne hither from points close at hand, making a mighty total in the course of a year, not only as regards volume, but more especially as concerns the vast amount of money disbursed by them in Shanghai.

Now let us consider that resident of America, or of England, of France, Australia or any other place in the world, who starts out on what is nowadays the easiest thing in the world to do,—viz., take a trip around the world. That places him or her in the real, true, hard-boiled "tourist" class, and that is the man and the woman, the youth and the maid, the boy and the girl, or, indeed, the whole family, that we shall now take up and analyze. Shanghai may well devote a little time and study to this class of visitors. No one can say with certainty, just how many of these world-travellers cross the Customs Jetty in the course of month or a year.

The Round-the-World Tourist

Did you ever notice in the shipping section of your daily newspaper, under the headings of "List of Arrivals," and "List of Departures," the large number of steamers coming and going every day. Do you know that there is seldom an arrival that does not bring tourists, nor a departure that does not carry them on to the next port? Do you know that some of these steamers bring fifty tourists? Or seventy-five, or a hundred? These are not exaggerated figures. The great steamship lines could not operate if these averages were not fairly well maintained throughout the year. How about the "world cruise" ships, five or six of which anchor at the mouth of the Whangpoo every winter? How many of the strictly dyed-in-the-wool "tourists" do they bring up to Shanghai? They cannot afford to leave their docks in America unless there are at least four hundred first-cabin passengers aboard, all booked to sail around the world. Last season there were five of these great cruise steamers at Woosung, which means that in December and January at least 2500 tourists "came, saw and were conquered" in Shanghai.

The great passenger liners of the Admiral Line, Canadian Pacific, Dollar Line and Nippon Yusen Kaisha are all arriving at regular fortnightly, or more frequent intervals, each carrying its quota of tourists. The Dollar Line steamers, which particularly cater to the tourist traffic originating in America and destined around-the-world, arrive every week, and a crowd of tourists flock from them to the marts and places and bright lights of Shanghai.

A Trademark of Exquisite Workmanship ——

In buying curios and jewelry one wishes to be particularly certain of the trustworthiness of his dealer. Jades, ivories, Canton shawls, embroidery and diamonds purchased at THE CHINA JADE COMPANY can be depended upon for their distinctiveness and true value.

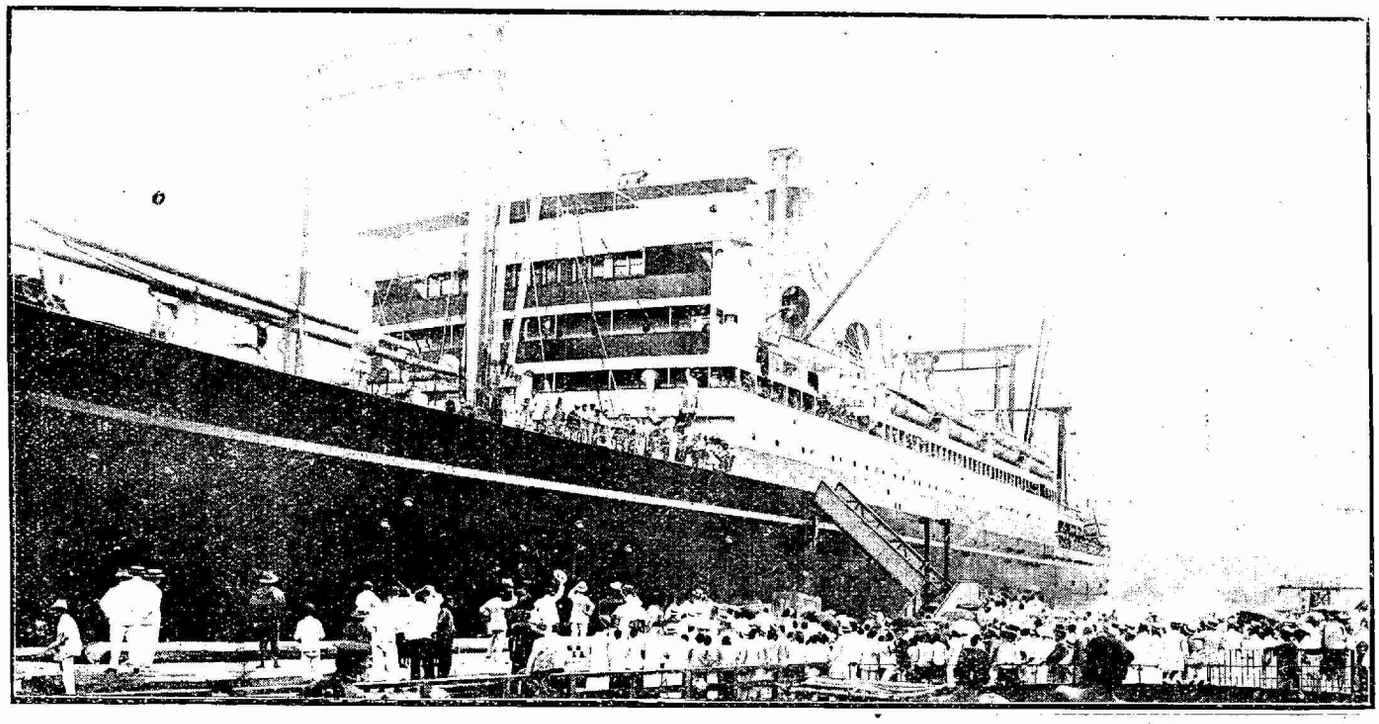
The Largest Jade House in the Orient

Head Office: Hongkong *Factories:* Canton and Burma

SHANGHAI BRANCH: 33 NANKING ROAD

Telephone C. 6314

39-070



A Round-the-World Steamer Arriving at Shanghai Laden with Tourists.

Tourist a Heavy Spender

Coming from the other direction, that is, originating beyond Suez and traveling eastward, the steamers of the P. & O., the French Mail, the German Mail and the Italian lines, each bring their quota of tourists.

The Shanghai resident, unless he may be visited by a tourist friend, is hardly aware of these visitors. But ask the hotel proprietor, or inquire of the merchant, as to the volume of the traffic, and the value of its trade. How much money do they leave behind them? Sometimes the purse strings are tightly drawn because the bulk of the bank roll went into the steamship ticket, but, taken as a class, your tourist is a heavy spender. He must be, otherwise he couldn't afford to be a tourist. The money spent in Shanghai comes from all over the world, and, conversely, the souvenirs bought in Shanghai find their way to all countries, and the stories of experiences in Shanghai are told wherever there is an ear to hear.

Attractions of Shanghai

Frequently the claim is heard that certain cities are "the crossroads of the world." What city, other than Shanghai, has a better right to the designation? Certainly no other city in the world has a more cosmopolitan population within its corporate limits. That means there is an attraction here for the nations of the world. What better proof is required, as showing the variety of nations and peoples resident in Shanghai, than to say that the government of the city is shared or participated in by more than a dozen different nationals? This fact, in itself, is a magnet to the man who would study and witness at firsthand, a most unique form of city government. The tourist listens with open-mouthed wonderment at the story of Shanghai's government, and is intensely interested when told that he is passing from one concession into another. He wants to know the whys and wherefores of the English concession, of the Chinese City, or "Frenchtown."

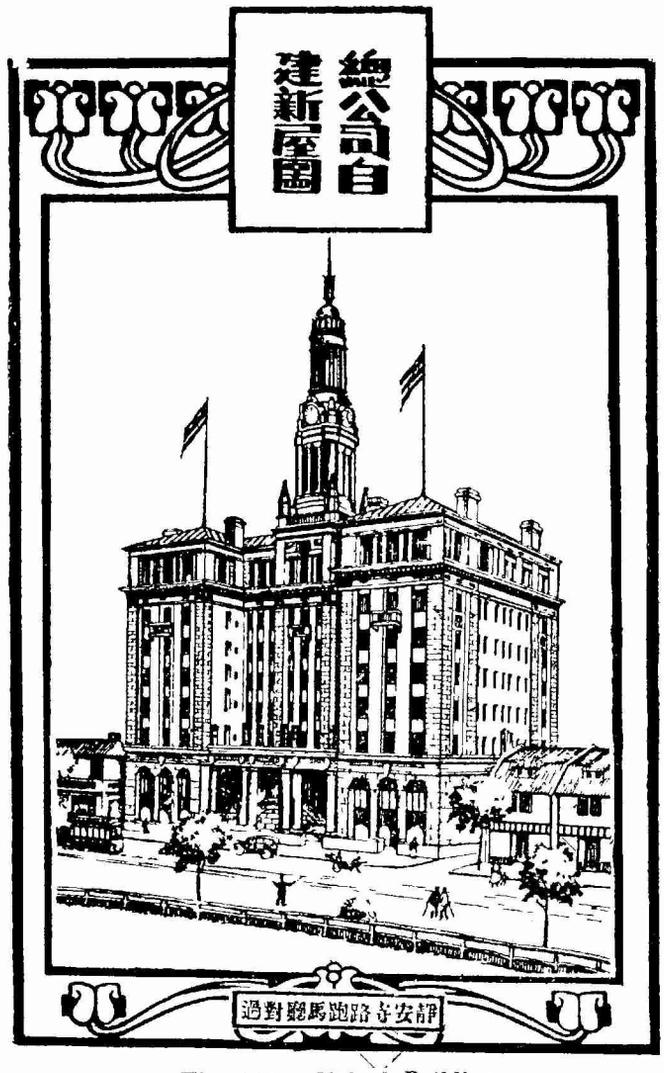
It is frequently the case that the ordinary everyday citizen may sometime fail, because of long association and contact, to fully appreciate the high lights in what may be regarded as the stellar attractions of one's "home town." Possibly this is true to a very large extent as regards the attitude of Shanghai's residents to the various places and things which find high favor with the casual tourist who drops into Shanghai with a fund of information gleaned from a careful perusal of guidebooks, and is intent "doing" them all, or, as the American tourist naively puts it, "let's see the whole works."

Native City a Big Attraction

The Shanghai resident, the "old China hand," probably has not paid a visit to "The Chinese City," or, to again quote the tourist, "The Native City," for, lo, these many moons. It may be said, judged from a considerable experience in handling tourists, that the greatest single attraction which Shanghai seems to hold for the new arrival, is "The Native City." The various guide-books, encyclopedaic and fellow-travellers, have painted pictures of the wonderful sights which may be seen in the Chinese section of Shanghai, and the tourist arrives with a mental picture of "Life in Chinatown," which would furnish material for the most thrilling of ten-twenty and thirty cent melodramas, in which Chinese pirates, tong wars, gambling and opium dens, smugglers' caves and desperate kidnappers are to play a large part. The reaction to the disappointment of finding none of these things is often amusing, but is invariably short-lived, because Shanghai offers so many counter attractions, all infinitely more desirable.

Notwithstanding that none of the "thrillers" are to be found in Nantao, it is a fact that the majority of tourists seem to get the greatest "kick" out of that section. The close hand observance of the Chinese artists and craftsmen busily engaged in their occupations, the ivory carvers, the makers of mah-jongg tiles, the water pipe sellers, the glittering display of "near diamonds" in the jewelry shops, the bird market, the two-stringed "fiddle" makers, the musical spinning top demonstrations, the open-air sidewalk "chow

(*Continued on page 82*)



The China United Building
34 Bubbling Well Road.

The funds of life insurance companies not only represent in material form the prudence, thrift, self-respect and energy of a very great number of individuals but also their public spirit and even patriotism. Life insurance savings not only provide for the protection of one's old age as well as of the wife and children and those dependent on one's earnings, but these same savings accumulations are invested in great profit-making enterprises, some of which are of national importance. Thus it may be truly said that every man who insures his life to meet his own domestic requirements is at the same time performing a public and patriotic service.

The funds of the China United Assurance Society are invested in various profit earning securities as, for example, in the China United Building. This building is the most up-to-date and best appointed of its kind in the Far East. It contains 9 stories of which all but the first two floors are used as an Apartment Hotel. The Hotel portion includes single and double roomed apartments, several larger flats and also Winter Garden, lounge, dining room, etc.

What is of greatest importance to the policyholders is that all the available space of the building is rented and a permanent and very profitable investment of the policyholders funds is absolutely assured. This beautiful building is tangible evidence of the care, forethought and integrity exercised by the management in the investment of funds which should be an encouragement to others to protect themselves and their families by becoming members of China's premier and greatest life insurance enterprise.

The China United Assurance Society, Ltd.

(A purely Chinese company under the management of experts)

HEAD OFFICE
BUBBLING WELL ROAD
SHANGHAI

BRANCH OFFICES
AND AGENCIES
THROUGHOUT CHINA

39-072

Life Insurance In China Presents Many Complicated Problems

By A. J. Hughes

THE business of foreign companies in China is limited mainly to foreign lives and only the very best of native risks are accepted. Nothing, therefore, characterizes the activities of such companies here that would furnish details of general interest to the readers of the *Review* who are concerned mainly with Life Assurance in its relation to the Chinese.

In the almost complete absence of any statistics, reliable or even otherwise, any notes on this subject must consist more or less of personal experiences and reminiscences which in the case of the writer cover a period of over 20 years. These, as will be explained, could be more appropriately grouped under the heading "What is Wrong with Life Insurance in China."?

It is probable that some "Home" companies have had agencies in China ever since the Treaty Ports were established and it must be well over 30 years since the Far Eastern agencies of the New York Life and Equitable of America and the Sun Life of Canada were permitted to accept risks on carefully selected Chinese lives. Since then some locally established companies have made special efforts to attract such business by the employment of Chinese agents and widely advertising its advantages in the Chinese language.

Few Chinese Policies

Notwithstanding all these years of life insurance propaganda it is probable that of China's 400,000,000 less than 50,000 now living have sought the protection afforded their families and themselves by this beneficent system which has stood the test of centuries and which in almost all other countries constitutes an economic factor of ever increasing importance in the social structure. Of this no more striking evidence can be cited than that during the month of June last the Life Insurance companies of the United States issued new policies representing over (Gold) $1,000,000,000 (vide Literary Digest August 7th). The failure to popularise life insurance in China is all the more remarkable in view of its wonderful progress in nearby Japan where in addition to the foreign companies there are numerous successful native enterprises.

Fault In Social Structore

"What is Wrong with China" in respect of Life Insurance may be briefly explained as follows.. The Chinese age-old system of mutual responsibility in the family or clan embodies the fundamental idea of life insurance and this undoubtedly has been an important factor against its adoption as a substitute for the protection of dependents. But with the tendency of modern conditions to break up the herding of families the advantages of life insurance must become more obvious and popular.

The status of women has also militated against life insurance development in China and there is, as yet, no such imperious and widespread social sentiment compelling the adoption of every available means for the wife's protection as characterizes Occidental social life. The general attitude towards insurance seems to be "What's the Use of the Money to a Man whose Wife's a Widow". The inferior social status of women in China has probably been one of the drag-shoes not only on life insurance development but on national progress generally. On the other hand provision for the children and especially the eldest son always makes a strong appeal and it is only the novelty and distrust of life insurance that prevents its more general adoption for this purpose.

Life Insurance Distrusted

The distrust of life insurance is unfortunately, not only very general but to a great extent justified. It can be confidently stated that in no other country has this beneficent system of family protection been introduced under less favourable auspices. With the advent of the locally established China Mutual and Shanghai Life Insurance Companies, the canvass for Chinese business became more general and with a most encouraging initial measure of success. But the technical training, long experience and other qualities of management essential to success and the command of public confidence were non-existent during their earlier years with the result that serious cumulative mistakes were made which subsequent well-directed efforts could not redress and both these companies passed out of an independent existence fortunately without any breach of their legal obligations to their policyholders. A very bad impression had, however, been created by both companies due to stringent and misunderstood regulations, and to the fact that the bonuses paid on maturing policies were only trifling as compared with original promises.

Need Competent Administrators

There is no form of enterprise, financial or otherwise that depends so much for its success on strict integrity, a keen sense of responsibility and general ability in the administration of public funds, besides highly specialised knowledge and practical experience. The need for men of this type will eventually produce them but in the meantime and owing to the absence of any restrictive legislation, such as in other countries controls all those handling trust or public funds several Chinese life insurance companies have been started by irresponsible persons possessing none of these qualifications for the important posts to which they appointed themselves. In some instances there can be little doubt that the promoters were actuated by no higher motive than the expectation of making quick and easy money for themselves with an utter indifference to the sanctity and safeguarding of the policyholders, funds described by Judge Bourne in an insurance case, tried in Shanghai, as representing the "blood and brains of the people".

Companies That Failed Unsound from the Start

Apart from the special difficulties common to all life insurance companies in China imposed by local conditions it is certain that all the five or six companies that have failed so far have been inherently unsound from the start and never had any greater chance of surviving than a snowball is said to have in a certain very hot place. The entire annals of Life Insurance disclose no such flagrant abuse of public savings as the failures of these companies have constituted. It is no wonder that a widespread impression prevailed at one time among the Chinese that life insurance was more a sort of organised swindle rather than a scientific application of the probabilities of death and survivorship in solving the problem, for honourable and thrifty men, of meeting the financial necessities ofeither contingency.

The necessity to associate life insurance with death has also been a serious deterrent to popularity. To emphasise the death benefit in canvassing a Chinese for insurance has been very generally

considered bad taste and calculated to rouse superstitious fears rather than lead to business. On one occasion the wife of a very sick policyholder came to the office of a certain Company in Shanghai in great distress with a policy for $5000 on her husband's life. She insisted that it must be at once cancelled as it was 'bad joss' and preventing recovery. To ease her mind this was agreed to and she was relieved of the policy. A few days later the man died but the widow was glad enough to receive the amount of the policy which the Company explained they had not had time to cancel. Whether or not this superstition was exaggerated by the Company it is certain that in the earlier days the reference to the death benefit—the main object of the system of life insurance-was either suppressed or carefully veiled. For this reason coupled with the necessity to "hedge" on an unknown mortality risk only short term endowments were issued. As the assured remained in ignorance of the value of the death risk assumed by the Company, absorbing on the average about 25 per cent of the premiums paid, the locally established companies, in order to secure business from those accustomed to enormous interest returns, over emphasised the amount and certainty of bonus accretions to the sum assured which were never realised. Not only did these fall far short of original promises, but it will be noted that the general trend of life assurance propaganda has been faulty and calculated to appeal to selfishness and greed rather than to nobler sentiments.

Sheltered in Treaty Ports

Political and business conditions to which no extended reference is here necessary have, of course, always constituted a serious bar to the progress of life insurance companies in China as of almost all other forms of business enterprise. These conditions have been apparently getting progressively worse rather than better but the writer is of opinion that the future prospects are not so discouraging as is popularly supposed. It is however, quite certain that at no time, as yet, has it been possible for any Chinese life insurance company or any other great financial enterprise to become established on a sound and permanent basis except under the shelter of a Treaty Port.

There are other special difficulties in China affecting life insurance unassociated with political and business conditions or the psychological attitude of the people. Of chief importance is the exceptionally heavy mortality rate. The complete absence of reliable vital statistics effectually prevents any confirmation of this statement. The mortality experience of the China Mutual and Shanghai Life Insurance Companies covering a period of about 20 years was actuarially tabulated but never published. Even if these figures were available it is doubtful whether the number of lives under observation and the period covered were sufficient to carry any conclusive results. My own impression is that any company dealing exclusively in Chinese lives will experience an average death loss of at least 15 to 18 per 1000 from the start. During the earlier years of foreign life companies the death losses would probably be no more than about one half these figures and are always much less than anticipated in the table of mortality used in the calculation of premiums. This substantial gain accumulated at compound interest and further increased by similar gains resulting from the newly selected lives added each year is generally what contributes most to their permanence and prosperity. Such gains will be practically non-existent in the case of a life insurance company whose business is exclusively on Chinese lives. It used to be said that no level premium life insurance company was ever swamped by an excessive mortality rate but under present conditions affecting public health this is possible in China. It speaks much for the virility of the Chinese race that they do survive and thrive under conditions that would wipe out foreigners, if they had suddenly to submit to them, like flies at the first breath of winter.

Native Professional Inefficiency

It is scarcely necessary in a paper published in Shanghai to enlarge upon the reasons for the huge mortality rate in China estimated by one authority at about 40 per 1000 or nearly double that for the city of London. It may be of interest, however, to mention one very important factor which undoubtedly has a prejudicial effect on the mortality rate of medically selected insured lives as this has received no little attention recently in the local press. It is the difficulty of obtaining an effective medical selection owing to the scarcity of well-qualified physicians and the low standard of professional efficiency prevailing among foreign trained Chinese doctors. There is no country in the world with fewer properly qualified medical practitioners in proportion to the population or where the profession and the public are so utterly unprotected. Missionary medical schools cannot escape a measure of blame as they have been conferring doctors' degrees for many years in some instances without being properly entitled to do so by any recognised authority or suitably equipped to safely grant such certificates of professional skill and training in medical research and practise. I learn that more recently some of the women nurses on leaving the hospital are setting up in private practice as "doctors." It is to be hoped that now the matter has been taken up by Chinese physicians themselves the urgently needed purging of the most honourable and beneficent of all professions from quacks and incompetents will soon be undertaken. Those interested in the sound progress of life insurance in China are greatly indebted to the persons responsible for the recent focussing of public attention on this matter in the Press and by the establishment of the Department of Public Health in Nantao and particularly to Dr. W. S. New for his speech at its opening ceremony emphasising the necessity for the registration of medical practitioners.

Difficulty In Getting Medical Examiners

The difficulty in getting qualified medical examiners in the interior has seriously handicapped the progress of life insurance. Even where a missionary doctor is stationed he generally has little time available for insurance examinations. An amusing instance of this is given in the following extract from a letter written by an agent of a company to his Head Office.

> "Being two years with the Company, I have discovered the following difficulties:—
>
> Cases have often been lost through the delay of the doctor's attendance especially when the applicants are visitors to the place. Some can be recovered and some go on for ever. To ask a doctor from Shanghai is very inconvenient. There is Dr. Tayl r, Jr. but he takes pride in being a strictly temperate and religious man and hates all forms of debauchery and extravagance. His sublime solemnity and high sanctity often mortifies some of my friends; instead of being a help, he vexes them. Moreover, he is only at leisure from 4 to 5 and has often refused to make the examination."

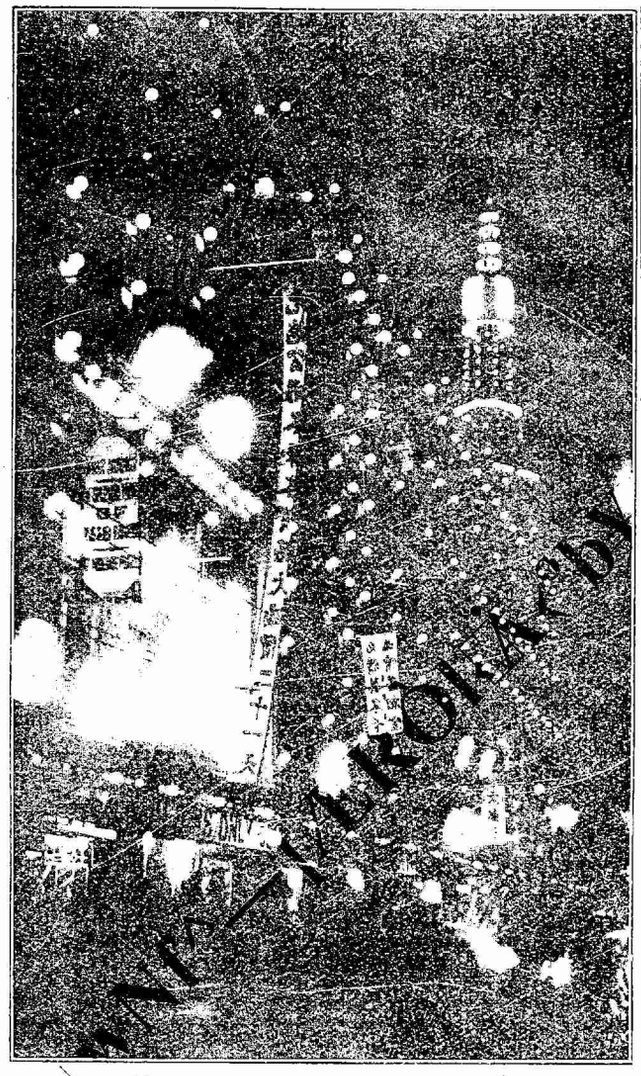
It is not only, however, the difficulties in making the original medical selection, over which a Company can exercise a measure of control, that affects the mortality rate of insured lives but there exists a far greater adverse factor, largely beyond control, in the inefficient medical advice and assistance available when the policyholder contracts some disease. I have personally passed for approval or otherwise death

(*Continued on page 67*)

Shanghai Department Stores Have Unique History of Their Founding

By David Au

"How much is this?"
"This will cost you $2 50."
"You are outrageous. Do you mean to charge me $2.50 for a thing like that?"
"How much do you offer?"
"$1.50."
"I am losing too much."
"Alright. Keep it, I'm going."
"Come back. Make it $2.00."
"No. I will advance to $1.75."
"Done, though I shall get the sack for selling things at a loss."



Nanking Road Department Stores at Night

"You ought to be thankful you have a reasonable buyer like me."

Here is a typical example of the retailing practice in China as as recent thirty years ago. Bargaining was considered a mark of distinction, the better the bargainer, the better his reputation. Such a practice not only wasted a great deal of time for both the buyer and the retailer, but also developed a suspiciousness for the merchant's honesty on the part of the purchaser. Once in a while the purchaser would find he had gotten a bargain, and most frequently, the retailer had made a handsome fifty percent profit. Dissatisfaction over purchases often resulted, trade was lost and a buying public complaining.

Hand in hand with the bargaining practice was that of running specialty shops. To get the daily necessities of life in years past the scattered shops made shopping a tedious practice at its best. Haberdashery is purchased at one shop. Several blocks intervened and a place to purchase soap appeared. Over another block, and aluminum goods were purchased. There was small system to shops and shopping, and eventually the daily ordeal hastened the advent of the modern department store in China.

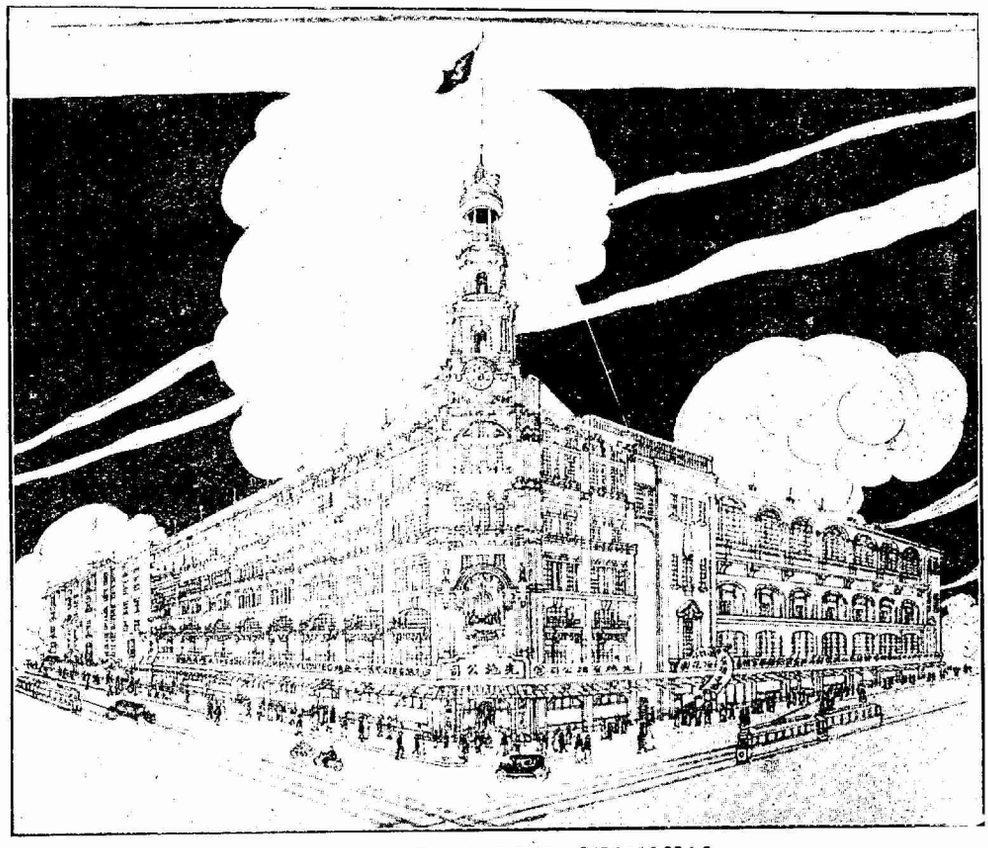
The First Chinese Department Store

A few foreign owned department stores appeared, but the first Chinese department store to be developed was Sincere's. To Mr. Ma Ying Piu goes the honored title as the father of Chinese department stores. It was due to his remarkable foresight and tenacity that this most unique of department stores came into existence.

Back in the year 1900, there returned to Hongkong a merchant, Ma Ying Piu by name, who had spent several years in the Australian state of New South Wales where he had become greatly impressed by western methods of business, and especially as applied to the large department stores which are great features in the various state capitals of the Commonwealth. Ma foresaw the possibility of such a store conducted upon similar lines in Hongkong, and so it is that due to his enthusiasm and business acumen Sincere's many establishments stand out today as staunch examples of modern commercial enterprises in the East. In those days it required no small amount of courage to

Piece Goods Dept. Wing On Company Ltd. (Shanghai)

inaugurate a business which was to proclaim the introduction of the"fixed price"system by which protracted bargaining, so traditional among Chinese merchants at that time would be eliminated. Such a policy was distinctly novel and it is also a tribute to the founder that an equally novel trade name should be employed. The public were to be assured of perfect fairness and sincerety in trading, and it was a happy inspiration which prompted Mr. Ma to select a name which in itself announced the principal upon which new business was to operate. Thus the name"Sincere", or more complete "The Sincere Co., Ltd.



THE SINCERE BUILDING, SHANGHAI

Quality Goods at Reasonable Prices

At Shanghai's *Premier Department Store*, you will always find a large and excellent variety of high-grade merchandise. Sincere's is a cosmopolitan store to which the outstanding nations of the world contribute their quality goods.

Courteous and prompt service as well as helpful suggestions make shopping at Sincere's a real pleasure.

SINCERE'S

Chekiang and Nanking Roads

SHANGHAI

39-076

The company was founded in the most unostentious manner and did not prove much of a success at first. Prospective customers in spite of the effort and inconvenience had become so accustomed to bargaining that it was most difficult to impress upon them that full value was being given them without the customery haggling. Although Mr. Ma and his associates worked extremely hard to attain their ends, the result of the first year's operation proved so disappointing that many of the shareholders favored an immediate liquidation. With a tenacity which has marked his whole career, Mr. Ma fought fiercely against this

Roof Garden of the Sun Sun Company

procedure with a result that the new enterprise was decided to be carried on for a further period. The next year's operation showed a marked improvement. People were being convinced of the advantages to be gained by purchasing from the small store conducted under the one price system. From that time on, the new store made rapid progress, and a few years later it became necessary to remove to more commodious premises. Since then "Sincere's" has been quartered in its own six storied building in Hongkong overlooking the harbor, and branches have been established in Canton and Shanghai with agencies and offices in London, and the most important cities in China. Very soon after the inauguration of "Sincere's", Messrs. Wing On's came into the field and were subsequently followed by The Sun Co., Ltd., and Chen Kwong & Co., Ltd., all with branches at Canton or Shanghai. In recent months the new building of the Sun Co., Ltd., has added beauty to the architecture of Nanking Road in Shanghai.

Founders Return From Australia

Without exception, all the promoters and founders of the stores just mentioned are returned merchants from Australia where they were engaged in business in the same firm or in the same city. It is small wonder then that in the management of the Chinese department store, the influence should be more English than American or Continental.

The management and operation of a Chinese store is very complicated and very essentially different from that of a foreign store. An outline of the principal differences may be worthwhile. The Sincere Company is a typical example. First of all there is the board of directors, acting as a supreme legislative body. In Sincere's the board is made up of 16 persons, one half of whom are elected annually by the shareholders from among the shareholders who are working or taking an active part in the company. The other half are chosen from shareholders who are merely interested in the Company. The chairman is always an "outside" man. This is a rather peculiar institution, and it is doubtful whether anything like it can be found among business houses in the world.

Plan Working Satisfactorily

This plan seems to be working very satisfactorily, however, as the system has been in practice practically ever since the company was founded. In a sense much can be said in favor of such a system, especially in a department store as it is only through the cooperation of those who know the business intimately and those who are actively interested that the general policy of the company can be properly formulated and the rights of employees safeguarded. Under the board are two managing directors, one stationed in Shanghai for North China, and the other in Hongkong for South China. It is their duty to see that the policy of the board is being carried out by the local managers. In order to assist the managing directors in their work, the board appoints local advisory boards who are also chosen from shareholders residing in that particular branch. Thus the local advisory board for Shanghai is chosen from shareholders of the company residing in Shanghai. It is of interest to note that as in the board of directors, the advisory board is also composed of "outside" and "inside" shareholders in equal numbers. The local managers come next with several assistants to help them, the numbers of which vary according to the size of the store.

Share Control of Departments

Between the local manayers and the assistants, the control of the following important departments are shared, the former of course concurrently acting as head of the whole branch: (1) Retail and Store management, (2) Wholesale, (3) Import and Export, (4) Finance and Accounts, (5) Welfare, (6) Hotel and Roof Garden. Of the above, mention is only necessary of the welfare department which looks after the welfare of the employees in general. The company employs a permanent Religious secretary who is also in charge of the staff Y. M. C. A. to attend to the well being of the staff under their management. In the store itself, there are two superintendents for each floor who are responsible to the

Window Display, Sun Sun Company

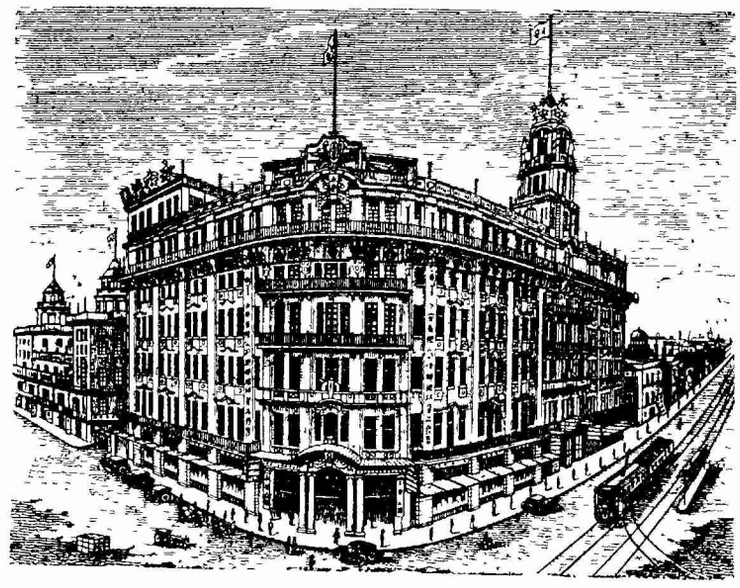
managers for the business of their particular area while under them are several departments each under a department head. The salesman is the smallest unit of the store with the exception of sundry coolies, apprentices, chauffeurs, factory hands, etc.

A writer has recently suggested that London is no more English than New York is American, a statement which though suggested that the gentleman in question is of Irish extraction, certainly is imbued with a great deal of truth. Big cities must always be cosmopolitan, and Shanghai is certainly no exception. The average

(*Continued on page 69*).

THE WING ON CO., LIMITED

UNIVERSAL PROVIDERS



Reliability !

The year after year increase of the business of Wing On can be ascribed to the Wing On policy of offering only reliable products. The fact that these goods are sold at lowest possible prices enhances the Wing On store as the best place in Shanghai to supply all needs.

You will be pleased with the varied assortment of goods of all descriptions which the Wing On store now has on display. Decide now to save on your purchases—with the additional advantage of buying only reliable goods.

THE WING ON CO., (Shanghai) LTD.

NANKING & CHEKIANG ROADS

39-080

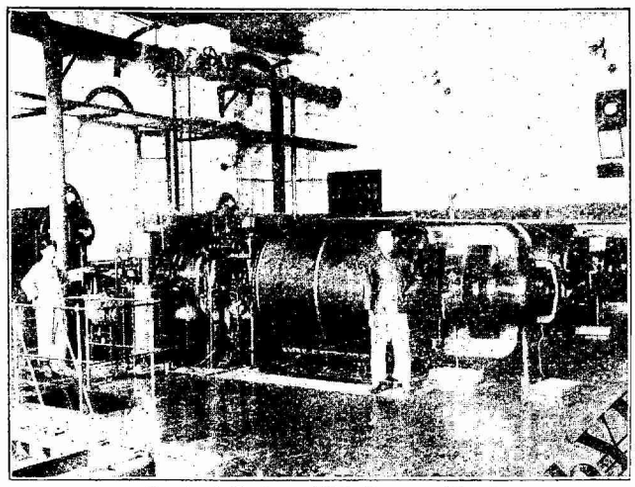
Shanghai Needs a Great Increase in the Use of Power Directed Instead of Exerted by Human Beings

by G. W. Phillco

SHANGHAI labor works too hard and produces too little. Nor is this true in Shanghai only but in all Chiua, wherever farmers, mechanics transport workers, coolies do their work with the physical strength of their own bodies, they work too hard for what they produce: and it does not pay. It does not pay the workers, their employers, nor the community in which they live, for man's power is both small and expensive.

Human Labor is Never Cheap

It is estimated that a man can develop continuously for an eight or ten hour day only about one-tenth horsepower. If so low a wage as forty cents per day is assumed the cost is forty cents per horsepower hour; yet the same amount of electrical energy can be purchased in Shanghai for about three cents



Typical Cotton Mill Power Plant

and in large lots for perhaps half of that. In these comparatively rare instances where the location is not served by one of the various electric plants, in the country, and in transport work, the energy of petroleum in its various forms is available to relieve the workers at a cost of from ten cents per horsepower hour in the smaller units to less than three cents in the larger ones. Are not these facts proof enough of the high cost of human labor even in China where such labor is said to be cheap? Rightly viewed, human labor is never cheap.

The laborers themselves are usually the last to see that this is true, and are almost always prone to believe that if mechanical power does their work, they will have none left to do. This belief has been the cause of labor unrest ever since the dawn of the industrial revolution and though disproved time after time, still persists. But if Shanghai is to grow as it should grow, if China herself is to take that place among nations to which her natural resources and her manpower entitle her, there must be a tremendous increase in the use of power directed by human beings instead of exerted by them, and the workers will here, as they have elsewhere, come to see that the motor and engine are their friends.

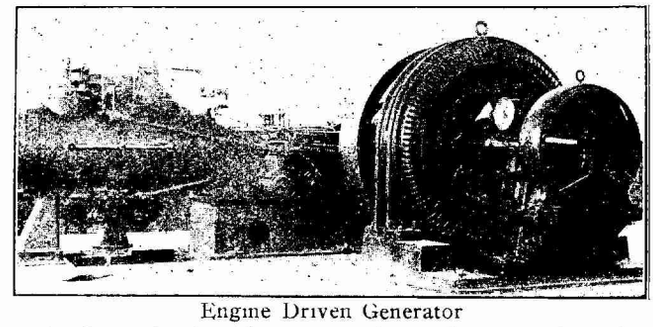
Shanghai's Power Most Advanced

Shanghai has not been unmindful of this need, she has advanced rapidly, and, compared with any other city in China, has very large power plant capacity both in her public service organizations and in the privately owned stations. Reckoning one horsepower to be the equivalent of ten men, there is in the public service powerplants in this city approximately a power of two million men, that is, almost two electrical men for each person in the entire city, two servants ready to work at any time and all the time if desired. But two are not enough.

The people of America are not more industrious than those of China, their soil is not more fertile, their resources are not greater, yet they are much more prosperous, for they produce more and therefore have more to use and enjoy. They have learned to use the power of fuel and of running streams to do their work. Shanghai and New York have much in common. Each is the great port of entry at the mouth of a great navigable r.ver; each is an industrial, commercial and financial centre. But the City of New York provides thirty electrical servants for each of its inhabitants. Even taking the country as a whole, farming district as well as city, residence centre as industrial section, there are three such servants for each man, woman and child in the country. Yet there are only one hundred million people to consume the products of the City of New York, for by comparison with domestic consumption her exports are negligible, while Shanghai has four hundred million people among whom to distribute the products of her mills and factories.

Industrial Plants Increasing

Slowly but certainly these possibilities are being realized. Industrial plants are increasing in number and capacity, and as they increase, they draw more power from the central station, for it is becoming more evident each year, here as well as elsewhere, that, with the exception of such factories as needs steam for purposes other than power, it is more economical to purchase the power from the central station than to generate it on the premises. More economical and more expedient. For the manager of a textile company or a flour mill, of any manufacturing industry, feels the need of centering his best attention on his manufacturing processes and on his sales. He does not wish to have this attention distracted by the additional care of power generation even though by so doing his power cost might be slightly less. He has found, however, that it is the



Engine Driven Generator

cost of purchasing the power from the central station that is less, for the central station is in the business of manufacturing power. Every effort of trained experts is devoted to the production of this power not only with the greatest economy but with the least possibility of interruption. It is greatly to be doubted if any privately owned plant in Shanghai can produce a unit of electrical energy, taking into due account all overhead expenses, as cheaply as it can be purchased from the central stations. The large manufacturers

SIEMENS CHINA CO., SHANGHAI

24, KIANGSE RAOD

Representing

SIEMENS SCHUCKERT

POWER PLANTS ELECTRIC MACHINES and APPLIANCES

for every purpose

SIEMENS & HALSKE

AUTOMATIC and MANUAL TELEPHONE PLANTS

MEASURING INSTRUMENTS

X-RAY- and ELECTRO-MEDICAL APPARATUS

TELEFUNKEN

East Asiatic Wireless Telegraph Co.

Radio Sets

of all kinds

TELE FUN KEN

Branches in

Tientsin Peking Mukden Harbin

Hankow Hongkong Canton

39-082

of powerplant machinery long ago recognized that this was so and have ever since steadily pursued the policy of discouraging the isolated station wherever it comes into competition with the central station.

City has Three Central Stations

Greater Shanghai has three central stations, one in Nantao, one in the French concession and the third in the International settlement. In Nantao before the great war there was very little in the way of real central power, nothing that could in any sense be called modern or efficient, while now there is a capacity upwards of 16,000-HP of new equipment operating, while a large addition is at present being installed. This plant is finding increased demand for power for industrial purposes; power to do the work of men and to do the work that men cannot do. Fifteen years ago we may almost say that men did all the work that was done in the native city. Today coal is doing more of it and each year will find fuel of some kind doing a greater proportion of the day's work.

The plant of the French Tramway & Lighting Company is of special interest in that it is the largest and most advanced plant in China using oil engines. In the new station there is no fire, no coal, no ashes, no smoke, just those big efficient machines burning the oil inside their own cylinders and turning out a man's work of a day with the use of about four tenths of a pound of fuel oil, an actual fuel cost of less than one cent. The French City is a residence city, it does not wish to be industrial, and the electrical station is intended for supplying the needs of such a community where the greater part of the power is used at night for lighting purposes while during the day most of the engines must stand idle. No fire need be kept banked, no boilers need be kept hot, when the oil engine is shut down it is all down, yet ready to start at any time with five minute's notice. If evening comes on with heavy clouds, an early darkness, each householder, everyman in his office turn on his lights

Power for Electric Lights

It is a little thing, an electric lamp, it does not take much power, that four-tenths of a pound of oil would run a fifty candlepower lamp almost fifteen hours, but when hundreds, thousands of them are turned on all in ten or fifteen minutes, our friends in the central station must start up another engine, perhaps two engines, to carry the extra load. When bedtime comes and we shut off our lights, the extra engines are no longer needed and are shut down until next evening, for during the day time, except for the tramway, very little power is used.

A very different story is that of the big station of the Shanghai Municipal Council down at Riverside. Even there, of course, there is a large increase in load at night, but all day long the fires are going, the turbines are running, energy is being sent out over the wires to the electric motors, for it is the Riverside Station that supplies the power for those two industrial sections, the International Settlement and Chapei.

Along Soochow Creek, down Yangtszepoo, all thru the city, electrical motors are doing men's work. Little fellows are turning the fans that try to keep us cool, taking the places of the punkah coolie who was at one time indispensable. Other little ones are coaling our ice boxes without ice, sweeping our carpets; larger ones are hauling thousands of people about our streets, saving the rickshaw coolie, lifting us to the upper floors of high buildings saving us, pumping water up to the top of the high buildings for use in case of fire, saving the buildings. Large ones and small ones are running the big factories and the little shops turning out the products of the modern industrialism that has in the past few years been developing so rapidly.

An advertisement reads that there are 160,000-HP available at the Shanghai Municipal Council plant. Another big unit is soon to be added. The city of Chapei, which has been purchasing power from the Shanghai Municipal, is now considering a station larger than that at Nantao. Along the river, down at Woosung, and for that matter, in all parts of the factory district, there are also many privately owned plants. Especially is this true in the large cotton mills at Woosung where are to be seen some very fine examples of small plants. In time it will probably be found to pay even these mills to purchase rather than generate their power but some claim to be giving the central station a close race in economy.

The Future of the Central Station

The time will come when not only will the central station furnish practically all the power used in any industrial center but it will have its distribution wires spread out across the country linking up with other power centers and city dwellers alike. This time is not yet, however, except in particularly favorable locations, and has not at all been reached in China. The Chinese farmer is not served by our central station, he cannot throw a switch and find his work being done, but he is not without recourse.

For hundreds, perhaps for thousands of years throughout China, farmers have been irrigating their fields by means of wooden pumps operated by men or by buffaloes. Two or three years ago some farmers over near Kashing being persuaded to try the use of small kerosene engines of two to four horsepower each to drive these same pumps found that a 2½-HP engine did the work of three to four buffaloes at a time, and, while the buffalo could not work steadily more than four to six hours a day, the little engine was perfectly willing to work twenty-four hours a day. Nor did it need a man to drive it. The engine cost less than two buffaloes, perhaps not much more than one, and did the work of twelve to sixteen. Furthermore it was noticed that in a dry year the farmers who had buffaloes had poor crops while the engine irrigated farms were sure of a good yield of rice.

The Chinese farmer, like the farmer in every other part of the world, is conservative, but he is no fool. He is buying engines. Indeed it would seem that in the case of China, the farmer has been less conservative in applying the power of fuel to his needs than the city dweller and industrial worker, for while very many towns and cities throughout the land are using electric power for lights, in not more than a dozen cities, and these mostly treaty ports, are the power companies catering to the motor user, while in numerous instances, applications for connection for this purpose have been refused on the ground that it did not pay to run the generators in the day time. Gradually this notion is being dispelled and electric energy is being made available for the use of motors.

Power for the Chinese Farmer

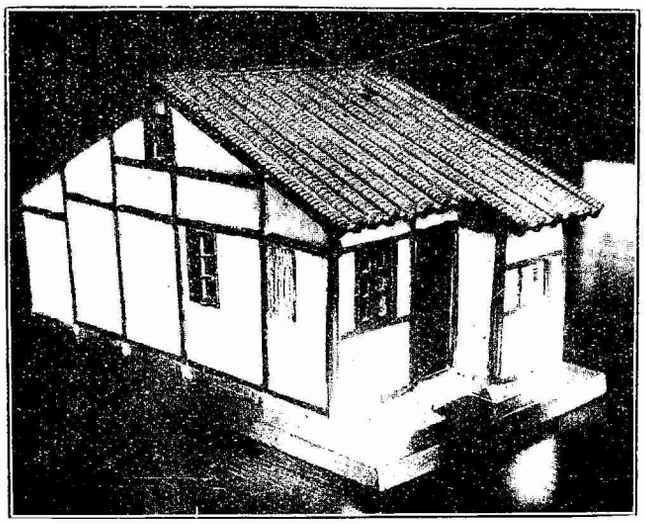
In this country more than seventy percent of the entire population is estimated to be tilling the soil. Yet the seventy percent is unable, except in the best of years, to produce more than enough to feed themselves and the other thirty percent, to say nothing of having an exportable surplus, with the exception of such special product as tea and silk. We cannot accuse the Chinese farmer of lack of industry, his soil is known to be fertile. What does he lack? The power of the engine to drive his pump, to grind his seed, to thresh his grain; of the tractor to till his soil, of the motor truck and locomotive to transport his produce to market and his supplies back to him. With this added power to help on the farm and between the farm and the market, fewer men will be needed to produce food and the surplus men will gravitate to the cities.

(*Continued on page 58*)

Pootung Presents Striking Contrast To Shanghai With its Many Industrial Plants

By Verne Dyson

A VISIT to Pootung will convince anyone that it is essentially a commercial and not a gay social center or fashionable residential district of Shanghai. There are no made roads in "East of the River" and there is only one jetty with proper steps, and only one public pontoon. Rickshas are a rare luxury. Only fifty foreign families live there. But for all that, something like twenty-five thousand people cross over and back daily between the Shanghai bunds and the other shore, and, if not important socially, Pootung evidently is of consequence industrially and increasingly so.



One of the Standardized Dwellings in the Model Industrial Village Now Under Construction in Pootung under the Direction of the Industrial Committee of the Chinese Y. M. C. A.

Pootung has developed to such a great extent commercially that it now presents a serious transportation problem. The ferry service is inadequate; in fact, there is not one reliable ferry line, either Chinese or foreign. The thousands who travel back and forth daily are carried on the privately owned launches of the companies who operate wharves over there. So far these launches have carried passengers free, without question as to their destination or business. This philanthrophy must end some day, of course, and then the public will have to have ferries or a bridge.

The possibility of building a bridge has been mentioned with increasing frequency in the last few years. Dr. V. K. Ting, Mayor of Greater Shanghai, and other Chinese officials as well as the foreign business men concerned are now studying this question.

What about a Bridge to Pootung?

"A great deal has been said about a bridge, but in an indefinite way," a foreign engineer declared recently. "Nobody has any idea what a bridge would cost because nobody knows how much it would cost to build the foundations. The type of bridge is something to be considered carefully. I am of the opinion that a bascule bridge is the kind that will best suit the situation. Think of the enormous cost of building approaches and of the land space that would be required for a suspension bridge high enough to permit the passage of large ocean-going vessels. Building that bridge is going to be no small affair. It's going to require money and brains."

The harbor frontage of Pootung is occupied by about fifty firms, mostly foreign. There are numerous other smaller plants along the banks of the six principal creeks which empty into the Whangpoo. For instance, on a launch ride up the Pai Lien Ching Creek which flows past the Robert Dollar Wharf, we came first to a group of substantial brick buildings, the modern plant of the China Textile Co., Ltd., calico printers. In one of the buildings there on the bank of a creek in Chinese territory, far from the maddening crowd on Nanking Road, was installed the first modern calico printing machine in China. Two other callico printing machines have since been installed. Foreign experts are managing the plant, and it is proposed to develop a high-class product. Founded about four years ago by a Frenchman, the factory now is owned by a British company, registered in Hongkong. Considerable inconspicuous industrial development of this sort is going on in Pootung.

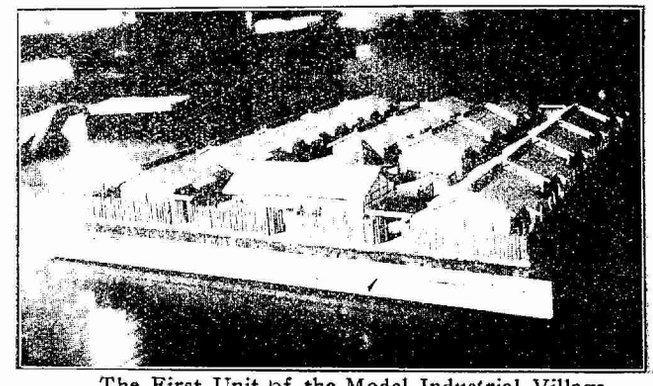
Native Factories

Farther up the creek we came to the Nanyang Iron Works, a small native plant. A launch was in dry dock and workmen were swarming around it. Next on the shore was a match factory, and a number of store houses for native ice. The ice houses look like great, long hay-stacks. They must be solidly filled with straw for we saw three goats standing on the roof of one of them. We went on to where the green banks on either side marked the end of industrial progress. These are the six creeks within the harbor limits, beginning toward the mouth of the Whangpoo and going up-stream:

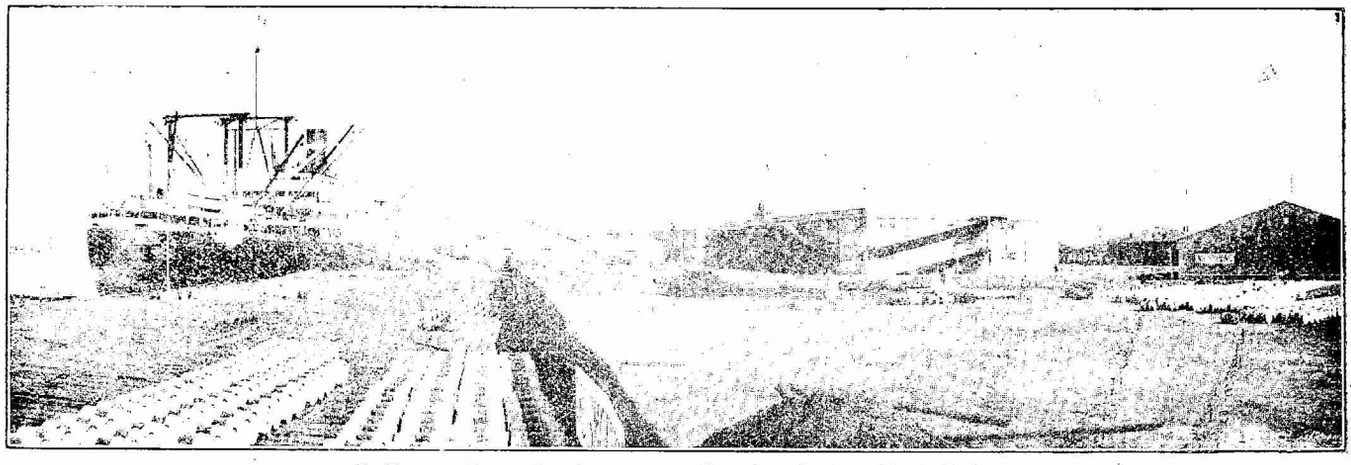
Hsi Kou	Lao Pa Tu
Yang Ching	Chang Chia Pang
Lu Chin Pang	Pai Lien Ching

Each of these creeks has an array of industrial plants along its banks. "All are small and tortuous but first and last give access for cargo boats to considerable areas near the coast," says a report of the Whangpoo Conservancy Board.

The shipping interests of Pootung are by far the more important elements of its commercial life. With water-front land scarce and exceedingly high-priced in Shanghai, the large shipping companies were driven to locate their wharves across the river. It is the business of the wharves, the handling of a great volume



The First Unit of the Model Industrial Village in Pootung as it Will Appear When Completed. The Dwellings cost Tls. 200, and rent for about $2.00 a month.



Robert Dollar Wharf Pootung Showing the President Taft

of freight from all parts of the world that daily takes the thousands of laborers to Pootung and back. General cargo wharves are owned by the following in Pootung:

Robert Dollar Company
Nippon Yusen Kaisha
Ocean Steamship Company
Shanghai & Hongkew Wharf Co., Ltd.
Mitsui Bussan Kaisha
Mackenzie & Co., Ltd.
China Navigation Co,
Jardine, Matheson & Co., Ltd.
China Merchants Steam Navigation Co., Ltd.
Jensien Transport Company
Nisshin Kisen Kaisha
Rioka Soko Kaisha

These three large oil companies have wharves: Standard Oil Company, Asiatic Petroleum Co., Ltd., and the Vacuum Oil Company. The coal companies owning wharves are:

Kailan Mining Administration
Nee Tai Hsing Coal Co.
Han Yeh Ping Iron & Coal Co.
Coal Merchants Company
Mitsui Bussan Kaisha.

In length or wharf frontage, Pootung is far ahead of Shanghai, the latter having 13,325 feet and Pootung 19,670 feet of general cargo wharves. The length of special cargo wharves in Pootung is 12,975 feet, and in Shanghai only 1,680 feet. Out of a total of 53,928 feet of water frontage in the harbor district of Pootung, American firms own 3,960 feet; British, 17,490 feet; Chinese, 12,705; and Japanese, 8,990 feet.

"The Mayor of Pootung"

The foreign manager of a wharf in Pootung is a potentate in a little isolated kingdom that is all his own. Because of the very wide influence of Frederick Palmer, manager of the Robert Dollar Wharf, he often is called the "Mayor of Pootung. At the wharf he rules over a staff of 250 and a village of 2,500 inhabitants all of whom are dependent directly or indirectly upon the Dollar Company for subsistence. Mr. Palmer holds court, and dispenses justices to one and all. His word is law. Often he handles knotty judicial problems. Most of the culprits which appear before him are cargo thieves.

A special feature of the village back of the wharf and one which gives it a touch of far-away America is the neat little red school house, established under the personal patronage of Captain Robert Dollar. The Stars and Stripes float from a pole in the school house yard. Three teachers are employed, and there are 150 pupils. No discrimination is made against children living outside the confines of the wharf company and the Kingdom of Palmer, but all applicants are admitted.

Has had Thrilling Experiences

Mr. Palmer has been manager of the wharf for six years and in that time has had many thrilling experiences with Chinese soldiers, river pirates, bold cargo thieves and other antagonists. He and his family live at the wharf. His home was partly destroyed in the recent explosion of chemicals in a godown at the wharf, and he narrowly escaped serious injury. He was standling in front of the building with a water hose when the explosion came. He was thrown to the ground and hundreds of brick were hurled through the air above him.

Apparently Mr. Palmer understands how to deal successfully with the natives, for his office staff and laborers remained at work during the general strikes of one year ago last spring. The strike was enforced at all other foreign owned wharves. He is firm, often gruff, yet kind at heart, and he has the picturesque vocabulary of a man who has long known the sea and ships.

Aside from the wharves, the more important industrial enterprises of Pootung are:

5 shipyards
3 textile mills
1 iron and steel works
1 cigarette factory
1 paper mill
3 match factories

The Shanghai Dock & Engineering Co., Ltd., an old British company with a capital of Tls. 5,000,000, has four important dockyards in Pootung: Cosmopolitan Dock, International Dock, New Dock, and Tunkadoo Dock. These docks range in length from 355 feet to 532 feet on the blocks, and in breadth of entrance from 53 to 77 feet, with a depth of water on sill from 16 to 24 feet. Wharves and pontoons are arranged so that steamers can moor conveniently during repairs; and slips for hauling up small vessels are provided. Sheerlegs capable of lifting sixty-five tons are placed at the various docks. Light railways are laid throughout the workshops and yards. The company's docks and yards in Pootung cover about one hundred acres, and have a water frontage of one and one-half miles.

Build Launches and Ship Repairs

The Ping An Steamship Company operates a small dockyard in Pootung where launches are built and ship repairs made. The dock has a length on blocks of 250 feet.

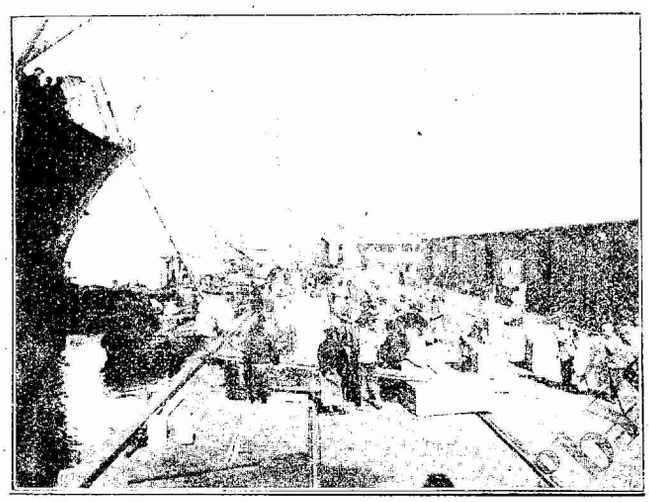
A Pootung plant of considerable importance is the marine works of the Jardine Engineering Corporation, Ltd. Modern equipment is used and experts are employed. This plant performs a specialized class

of marine work that is not equalled in any other similar shops in Shanghai.

Modern Cotton Mills

One of the first modern cotton mills in China, the International Mill, was established in Pootung in 1895 by British capitalists, and equipped throughout with British machinery. The plant was purchased in 1918 by the Japan-China spinning and Weaving Co., and with its 42,000 spindles and 200 looms it is now the largest of the three mills owned by the ten-million-yen corporation. The historic old plant is now known as Mill No. 1. The same company has another textile factory in Pootung, known as Mill No. 2, which has 21,000 spindles and 300 looms. The company's third mill is on Robinson Road in Shanghai.

One of the most hopeful of the newer industrial enterprises across the river is the Woo Shing Iron & Steel Works, a native company. The concern was formed in April, 1922, to take over the plant and business of the Ho Hsing Iron Refining Work which had been founded in June, 1918. The capital is Tls. 1,000,000. Three blast furnaces are in operation, and the daily output is about two hundred tons of steel. The plant is managed by a German engineer, and much



Discharging Cargo at Robert Dollar Wharf Pootung, Using Sling

of the equipment was purchased in Germany. The company operates iron and coal mines in Changshan, Chekiang Province. Iron ore is received under contract from the Yih Hua Iron Mines in Anhwei Province.

Pootung has perhaps the most modern and best equipped color printing plant in the Far East, operated by the British Cigarette Company. The printing department maintains a large staff of designers, lithograph artists and other foreign specialists, and the output of labels, and artistic posters and calendars is large. A modern carton factory also is operated in connection with the cigarette factory. The factory has about one hundred cigarette machines, and 118 printing and packing machines. The establishement has three compounds with a total area of two hundred mow. There are about one thousand employees. This plant has been in operation since 1903 when the company acquired the then existing cigarette factory.

Paper and Match Factories

The Pao Yuan Paper Mill, Ltd., of Shanghai has one of its two plants, the East Factory, in Pootung. This factory was established in 1899 as the Wah Chang Paper Works, later known as the Shanghai Paper Mill. It is equipped with three 90 inch paper making machines, and the weekly output is sixty tons of thin printings, writing, packings and wrappings for the native trade.

The Yung Chong Match Co., Ltd., which is capitalized for $400,000 and has its head office in Shanghai, operates two factories in Pootung. The annual output of factory No. 1 is about 15,000 cases of phosphorous matches, and of No. 2 factory, about 20,000 cases of safety matches. The Hua Chang Match Stick and Splint Mill has a factory in Pootung with a site of 60 mow. About five hundred laborers are employed. Raw materials used annually are valued at $300,000, and come principally from Hangchow and Shaoshing in Chekiang Province.

Unique Model Village

The newest enterprise in Pootung is a model industrial village, promoted by the Industrial Department of the Chinese Y. M. C. A. under the direction of Mr. J. C. Clark. The British American Tobacco Co, Ltd., donated a suitable tract of land, valued at Tls. 6,000. A gift of $1,000 has been received to erect a social center, and the Y.M.C.A. committee also has obtained sufficient funds from firms and individuals to build ten laborers' dwellings, or "huts", of a standardized type at Tls. 200 each. It is proposed to have thirty-two residences in the first village. The first unit of the village, now under construction, will consist of sixteen huts with a social center and a small playground, the whole surrounded by a fence.

The model cottages will be rented to laborers for not more than $2.00 a month, but even this small rental is expected to yield enough funds to make the village self-supporting financially, and in addition, to provide for expert sanitary supervision.

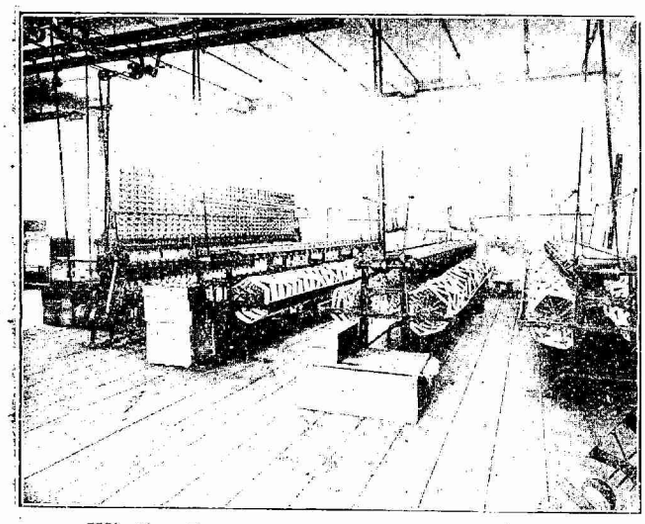
(Continued on page 53)

Mrs. M. C. Chan, Head of Social Work at Foot Ease Hosiery Mills.

Manufacturing of Hosiery Has Been Stimulated Greatly through Introduction of Machinery

By Tong Younglee.

THE hosiery knitting industry in Shanghai is a development of the last ten years and like every other industry in China it started as a home industry. Ten years ago (1916) there were aproximately eight hundred "home knitting" hosiery mills, in and around Shanghai and each of these mills had anywhere from two to fifty hand knitting machines. All these mills operated very irregularly, in the sense that none of them operated to full capacity more than three or four months in a year. This was due to the fact that it was a hand to mouth business. As we all know a hand to mouth manufacturing business cannot last very long and sooner or later must go out of existence, so has it been the case with a large majority of these mills.



Winding Department Foot Ease Hosiery Mill

Today we find less than a dozen of those eight hundred mills still existing and these have kept step with the rapid advancement which has taken place in the hosiery knitting industry. One of the most important advancements is that of the substitution of power knitting machines for hand machines. This is but natural, as a hand machine can turn out by one operator only eighteen pairs of stockings per day, while one operator using power machines can turn out one hundred and twenty-four pairs per day.

Cause for Rapid Development

I shall in the following paragraphs outline a brief history of the rapid adaptation of power machines for knitting and the causes which have helped to advance hosiery manufacturing to its present stage.

In the year 1916, there were two mills in Shanghai that used power machines for the manufacture of hosiery. These mills were the Lee Wah Knitting Mill and the Ching Po Knitting Mill. The former had twenty-four machines and the latter had twenty-five. The next year, the year of the boom of hosiery manufacturing, there were over one hundred and twenty power machines operating in Shanghai. Four mills started in that year: The Pioneer Knitting Mill, The China Cotton and Silk Works, the Foot Ease Hosiery Mill and The Chai Woo Hosiery Mill. With the establishment of these four mills, the other larger hand mills began to take notice and consequently there was a lot of reorganization with regard to finance among these hand knitting mills.

Power machines had come to stay and were gradually being installed by the larger hand knitting mills while their obsolete equipment was being sold to the interior. By 1925, the number of power machines had increased to about nine hundred or about eighteen times as many as were in operation only nine years before.

Hosiery for Chinese and Export

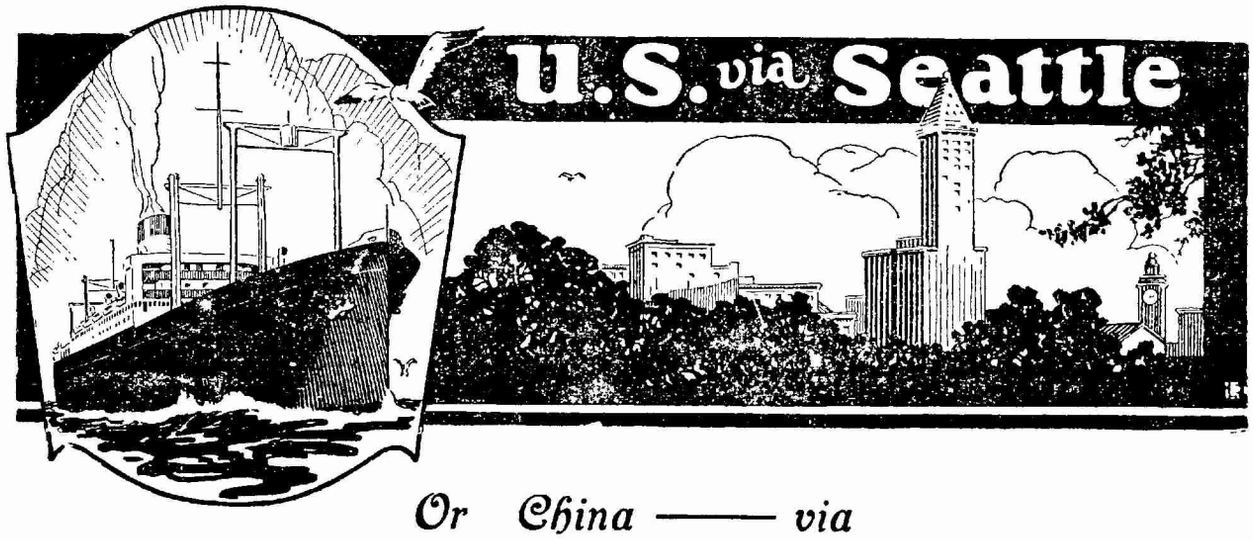
With this increase in number of machines came a proportionate increase both in production and in quality. As an indication of better merchandise sold and produced in Shanghai we find that ten years ago 80 per cent of the Chinese shops sold cotton socks for 25 cents per pair. At the present time there has been substituted for this cotton sock a mercerised sock which sells for anywhere from 30 to 40 cents per pair. Another striking result of better merchandising is the present popularity of silk hosiery which is now universally sold by the Chinese stores. Purely Chinese styles of silk hosiery are conspicuous in the shops, particularly a "Knee-length" stocking worn both by Chinese gentlemen and ladies, similar in shape to that of the foreign golf-hose. Shanghai produces silk and cotton hosiery not only for Chinese consumption but also for export.

The three largest mills that have gone in for export trade are The Pioneer Knitting Mill, The China Cotton and Silk Works and The Foot Ease Hosiery Mill. The Foot Ease Hosiery Mill and The China Cotton and Silk Works have advanced a step farther in the silk hosiery industry than all the other mills in China by the installation of full-fashioned or flat knitting machines. Prior to the installation of the full-fashioned machines (1926), circular or seamless power machines have been exclusively used by the Shanghai mills.

Home Production a National Asset

The rapid advancement and development of hosiery manufacture is due partly to the realization of the value of home production as a national asset by the progressive Chinese merchants of Shanghai. Those who have taken up this work and are responsible for its encouragement are merchants of the progressive type who take an active hand in the organization and management of their mills. They have been greatly assisted in the development of the industry by the

Club Rooms at the Foot Ease Mill



Or China —— via

Admiral Oriental Line

Sailings Every *12 DAYS* from Seattle and Shanghai

Plan your next trip to the United States on one of the fine big Admiral Liners—you will find an Admiral Liner leaving Shanghai every 12 days for Seattle via Japan (also to Hongkong and Manila). You are assured of a comfortable trip, a quick trip and a trip filled with joy and entertainment.

EVERY 12 DAYS FOR U.S. AND HONGKONG

PRESIDENT JEFFERSON
PRESIDENT GRANT
PRESIDENT MADISON
PRESIDENT JACKSON
PRESIDENT MCKINLEY

Passenger & Express Freight Service

Let us assist you in planing for your European trip—through connections arranged for all points in U. S., Canada and Europe.

Admiral Oriental Line

For Passenger and Freight Bookings, apply to

No. 3, Canton Road

Telephone Central 6371-2-3-4-5

Visit Shanghai!

The most unique city in the World, representing a dozen different nationalities and languages. You will marvel at the cosmopolitan appearance of "The Paris of the East"; you will see Old China in the Native City and Young China at the various cafes and cabaret. A few hours from Hangchow, the "garden spot of China", Soochow, the "Athens of China" and other interesting places. Something different!

The experienced traveler will cross the Pacific on one of the palatial ADMIRAL ORIENTAL Liners, where comfort and convenience is assured. Decide NOW to visit Shanghai—and go via Ammiral Oriental!

39-088

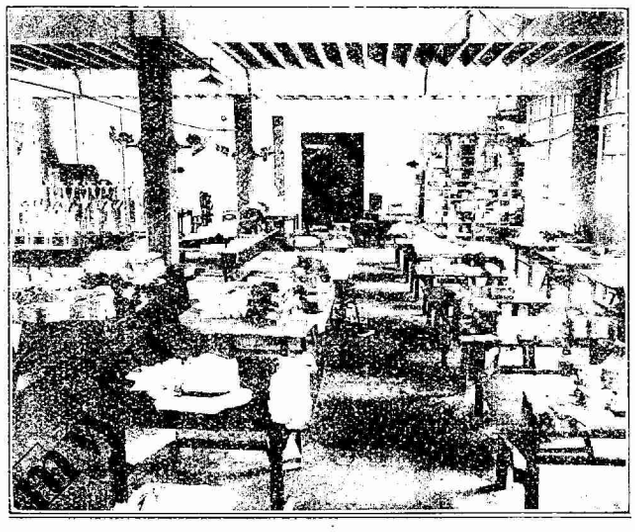
manufacturers of knitting machinery they operate as well by the local agents for this machinery.

Permanent trained organizations are maintained in China by the machinery manufacturers to keep the mills posted on the most modern methods of foreign mill practice, by setting up and operating new machinery purchased by the mills and particularly by rendering a continued maintenance service in the way of giving advice and assistance whenever required. This follow-up method after the machinery has been sold is greatly appreciated by all the Chinese manufacturers. An interesting instance is afforded by Scott &Williams Inc. who are represented in China by Andersen Meyer, & Co. Scott & Williams have a permanent trained representative in Shanghai, Mr. C. J. Ferguson, who by demonstrating the adaptability of the model "K" machine has been in a large measure responsible for the rapid development of the "knee-length" stockings above mentioned.

Processes of Manufacture

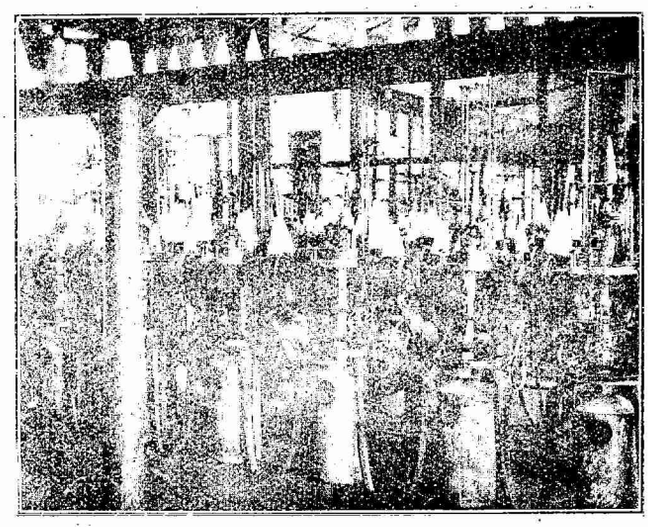
Many of us who wear silk stockings or socks do not realize the numerous processes which they must go through before they can be sent out by the mill. I enumerate herewith a few of these processes: silk winding, silk doubling, silk twisting, inspection, knitting, looping, dyeing, seaming, drying, pairing, stamping, labeling and boxing. All the above processes require special departments employing skilful workers who in general are paid by piece work. The average earnings of piece work operatives are about fifty cents per day of ten hours.

Most of the work in a knitting mill is light and pleasant and one of the most interesting features in the hosiery game is the competition among mills to offer attractive working conditions to their employees. Welfare work, and co-operation between employer and employee, are in my opinion, important causes for the successful running of a hosiery mill. Among those who have taken a great interest in the welfare work is Mrs. M. C. Chan of The Foot Ease Hosiery Mill.



Pairing and Boxing Dept. Foot Ease Hosiery Mill

Mrs. M. C. Chan is a graduate of New Bedford Textile School in 1923 and held the post of Vice-President of her graduating class. She is the first Chinese woman ever to be enrolled in the school for any course, and one of the very few women ever registered there. She took the full knitting course and was regarded as a brilliant student. She is a most unusual woman, even for a Chinese, and her



Knitting Department

ideas are apparently greatly in advance of her generation. She refused luxury in order to gain practical experience and worked side by side with the knitting girls in a mill in New York. With the knowledge and experience she gained from America she is now adapting it to the conditions in China and putting it to test in The Foot Ease Hosiery Mill, which is owned by her husband Mr. M. C. Chan, son of the well known Shanghai merchant and philanthropist, Mr. A. Sing.

The knitting industry in Shanghai, like all other businesses, has felt the effects of the chaotic conditions which exist at the time of writing. These conditions have only affected sales. The progress in operating and merchandising methods is continuing without interruption. The consumption of hosiery in China is increasing. In spite of such unsettled conditions the knitting industry as a whole is growing because of the solid foundation on which it has been built. The industry undoubtedly has a bright future.

Pootung Presents Striking Contrast To Shanghai With its Many Industial Plants

(*Continued from page 50*)

"A consumers' co-operative society may be conducted in conjunction with the social center of the model village," Mr. J. C. Clark explained. "That would meet the needs of the community in buying its daily necessities. Such a society would be an economy in both time and money for the villagers. After the co-operative society has been successfully established, a co-operative savings society, or perhaps a co-operative bank may be established.

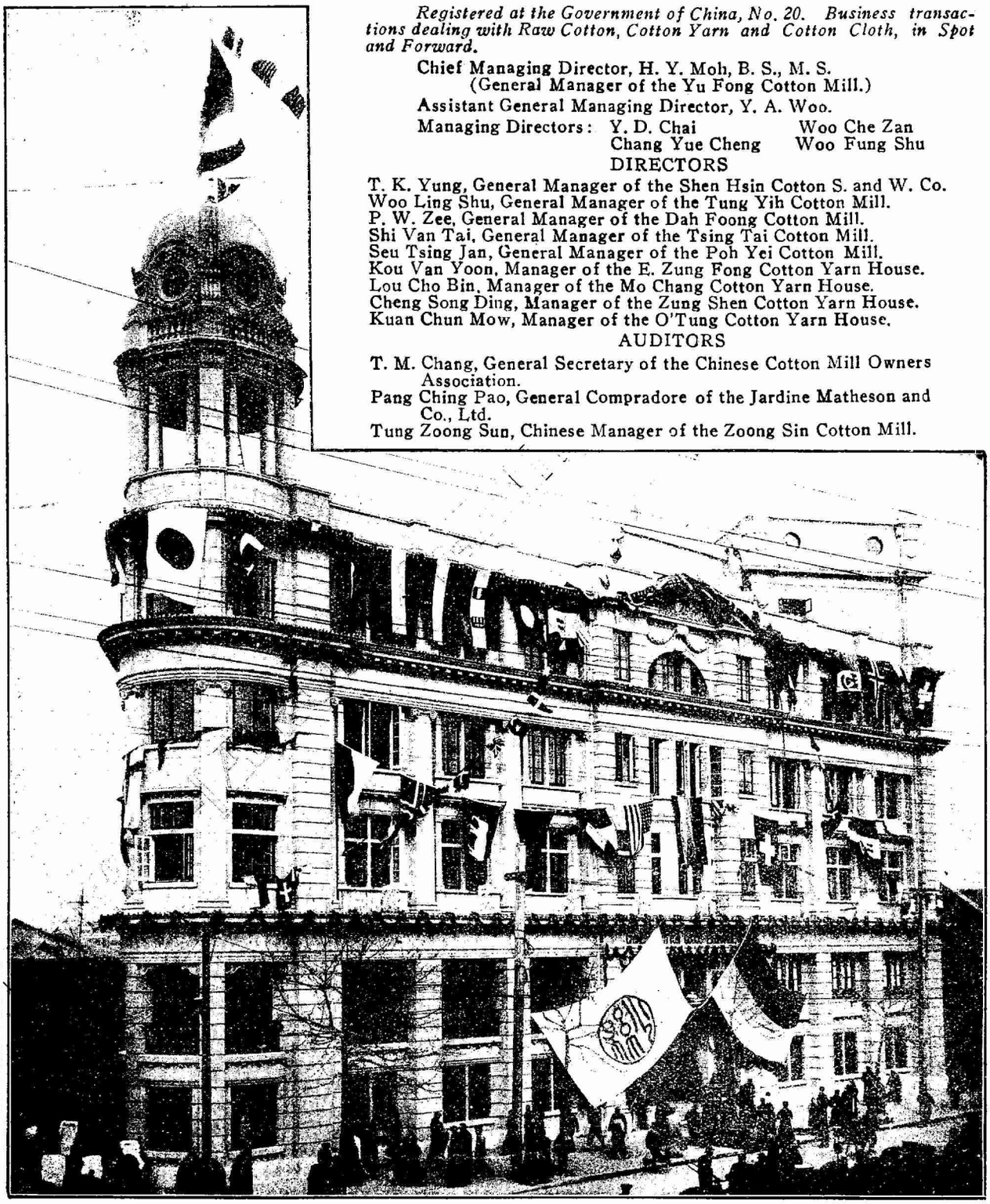
"One of the undesirable practices which the model village will be called upon to combat is the unrestricted landlordism or profiteering of property owners in Pootung who operate at the expense of the poorer classes. In order to avoid this evil, the village should, if possible, eventually be self-owned and self-governed, that is, co-operative. This wished-for condition may be achieved by the villagers if they will pay regularly a rental sufficient to liquidate the principal and interest on the original outlay for the buildings and public utilities. and buy over the property in a certain number of years."

上海華商紗布交易所

Chinese Cotton Goods Exchange, Limited.

No. 50 Avenue Edward VII

Authorized Capital, $3,000,000 Paid Up Capital, $1,500,000



Registered at the Government of China, No. 20. Business transactions dealing with Raw Cotton, Cotton Yarn and Cotton Cloth, in Spot and Forward.

Chief Managing Director, H. Y. Moh, B. S., M. S.
(General Manager of the Yu Fong Cotton Mill.)

Assistant General Managing Director, Y. A. Woo.

Managing Directors: Y. D. Chai, Woo Che Zan, Chang Yue Cheng, Woo Fung Shu

DIRECTORS

T. K. Yung, General Manager of the Shen Hsin Cotton S. and W. Co.
Woo Ling Shu, General Manager of the Tung Yih Cotton Mill.
P. W. Zee, General Manager of the Dah Foong Cotton Mill.
Shi Van Tai, General Manager of the Tsing Tai Cotton Mill.
Seu Tsing Jan, General Manager of the Poh Yei Cotton Mill.
Kou Van Yoon, Manager of the E. Zung Fong Cotton Yarn House.
Lou Cho Bin, Manager of the Mo Chang Cotton Yarn House.
Cheng Song Ding, Manager of the Zung Shen Cotton Yarn House.
Kuan Chun Mow, Manager of the O'Tung Cotton Yarn House.

AUDITORS

T. M. Chang, General Secretary of the Chinese Cotton Mill Owners Association.
Pang Ching Pao, General Compradore of the Jardine Matheson and Co., Ltd.
Tung Zoong Sun, Chinese Manager of the Zoong Sin Cotton Mill.

39-090

Tai Shan Brick and Tile Co., Ltd., Is First To Adopt American Process of Manufacture

ALTHOUGH tiles and bricks have been used by the Chinese for building and construction since practically time immemorial, their methods of manufacture have not met with much progress. Most of the work is done by hand, and the clay is very inefficiently handled and utilized.

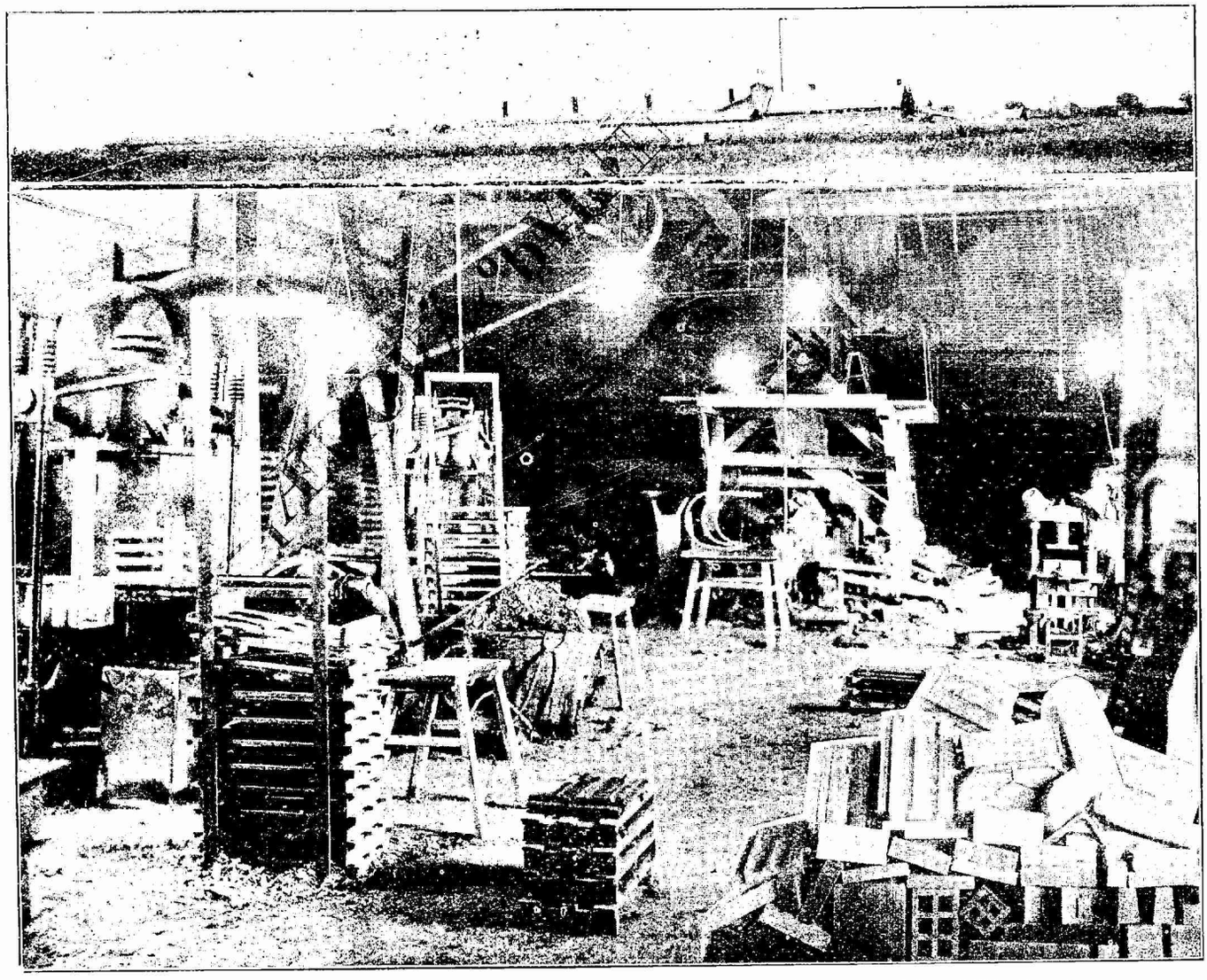
However, like most generalizations, there is one exception, and that is the Tai Shan Brick and Tile Co., Ltd., which concern owns and operates the first and largest tile and brick manufacturing plant in China patterned after modern American methods. The plant situated about six miles up the Whangpoo River from the French Bund, occupies 160 mow of land and has an interesting origin.

Mr. S. M. Wong, the general manager following graduation from an Alabama University, returned to China to begin work in Mr. C. C. Nieh's Hing Foong Cotton Mills. While working on the plans for a new factory building, Mr. Wong became interested in the manufacture of bricks and tiles, for he realized that the industry could stand much improvement and had innumerable opportunities. Hand manufacture was not only slow, but expensive and resulted in a porous and inferior product.

In 1920, Mr. Wong collected $15,000 capital and erected a small factory at Kashan. Since that time, the Shanghai factory came into being, and the authorized capital has increased to $1,000,000, a fourth of which is already paid up.

Construction of the Shanghai plant began after the present engineer had obtained two year's of training in America at an Ohio brick factory, after which the Tai Shan plant is patterned. Having among the promoters, Mr. C. C. Nieh, former chairman of the Chinese Chamber of Commerce, Mr. Y. M. Chien, associate general manager of the Joint Savings Treasury, Dr. S. M. Woo and Dr. K. Chow, the venture soon began to take on aspects of prosperity. The factory is distinguished as the only one in all China which manufactures American style face bricks after the American method. Their quality, because of an unhurried, painstaking process of manufacture has made them a preferred product.

The process in itself is worthy of consideration. Thirty junks having a combined capacity of 1,000 tons bring fine clay to the factory from the interior. The clay immediately upon arrival is placed into a drying shed, having a storage capacity of 4,000 tons. After



Top: General View of the Tai Shan Factory from the Whangpoo River. Lower: Brick and Tile Pressing Room with Various Kinds of Bricks and Tiles Manufactured.

The Tobacco Trading Corp.

Leaf Tobacco Merchants.

74 Szechuen Road.

Shanghai.

Cable address "Freebac"

"VIRGINIA TOBACCOS"

Allison Building *910 W. Main St.*

Richmond, Va., U.S.A. Louisville, Ky, U.S.A.

Assurance Franco-Asiatique

Société Anonyme

Capital: Fcs. 7,000,000 fully paid up

(Incorporated in Shanghai and Paris)

FIRE MARINE
AUTOMOBILE TRANSPORT
BAGGAGE

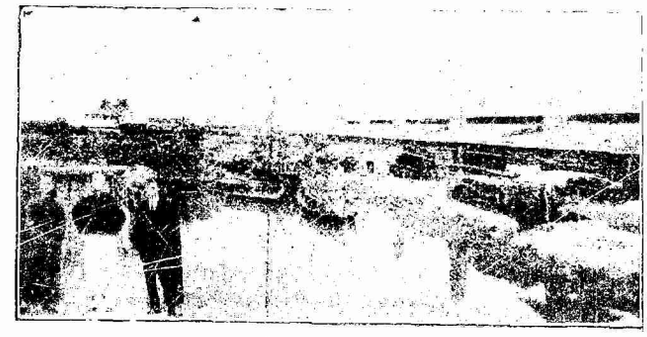
Agencies in Principal Centers all over the World.

Head Office
SHANGHAI

Intersaving Building
9, Avenue Edouard VII

Joint General Managers:
J. Beudin M. Speelman

being thoroughly dried, the clay is easier and more cleanly screened. Conveyers then carry the practicarlly pulverized clay into a mixing bin, where the raw product is wetted down with water. The wet clay is stored in this condition for one week, to make sure that each particle of the clay is thoroughly saturated. This results in a clay more plastic and less porous. A machine not unlike a huge sausage machine receives the wet clay and presses it out in rectangular workable forms ready for the final pressing machine.



Another view of the Tai Shan Plant showing the special loading canal. Mr. S. M. Wong, the manager is in the center of the group

Once out of the pressing machine, the tiles or if they are bricks, are put on racks and placed in long drying sheds. Six large artificial dryers are also used in drying. The bricks or tiles are then ready for the kilns, twelve in number. Each kiln has a capacity of 15,000 red tiles or 20,000 face bricks. After six days in the kilns at a temperature varying from 1800 to 3000 degrees Fahrenheit, the process is completed.

Experimental Kiln

The company maintains a test kiln where the new clay is experimented upon, and where test specifications for the intensity of the heat for the tiles or bricks are obtained. Through this and other efficent operations, the company experiences through breakage of flaws a loss of only 1% on face bricks, and 2½% on tiles. The Shanghai plant has an output of 4,000,000 tiles and 5,000,000 bricks per year. The original plant at Kaishan produces 800,000 tiles and 2,000,000 bricks per year.

Harmony among employees is a pre-eminent feature of this organization. Three hundred workmen room and board on the premises, and their surroundings are most congenial and healthful. Much attention is given to sanitation, the company having done much to maintain clean and healthy conditions at all times. An unusual feature of the treatment of employees is a ten minute rest period at the end of every working hour.

The Tai Shan Brick and Tile Co., Ltd., supplies over one-half of all roofing tiles used in Shanghai building and construction. The most recent large building to utilize their products is the Foreign Y. M. C. A.– R. H. P.

SUBSCRIBE TODAY TO

The China Weekly Review

and read it regularly—*every week!*

Young China is Deeply Interested in Foreign Books on Bigoraphy, History, and Science

By Virginia Smith Cowper

WITH the natural growth of any community it is to be expected that there will also be an added interest in learning. China at the present time is groping its way gradually into the ideals and interests of the Occident, and it is, therefore, obvious that she will look to those who have accomplished things in the advancement of culture. She will turn her attention to those writers whose business it has been to study the political and economic conditions of the world.

There is a strong tendency on the part of the young Chinese thinker to read only the best which has been produced by the foremost writers in America, particularly those who have been devoting their lives and pens to the service of others. Perhaps for that reason the Chinese reader is studying along sociological lines, dovetailing that subject with works of biography, history, psychology, politics and drama.

It has been noted by those whose business it is to cater to the literary needs of these people that fiction is rarely bought. This in itself is significent of the people who are seeking to bring to their homes and classrooms only the best.

Interested in Books on Communism

The interest taken in books on Communism is notable, in as much as it has been noticed that the Chinese bookbuyer is not content to know only one side of the question in which he is particularly interested, but he will nearly always purchase those dealing with the *other* side of the question as well. In this way the real booklover is not becoming a bigoted thinker.

The subject of psychology holds a big place in their hearts also, as may be shown in their very great interest in Professor Robinson's very readable volume "The Mind in the Making" and Dr. G. A. Dorsey's "Why We Behave Like Human Beings". These two books seem to fascinate them and are bought in large quantities and they daily recommend them to their fellows.

Much Biography is Read

Biography is fast becoming one of the subjects in which young China is taking an interest, even we think, more than in history, as after all is said and done is not history reflected through the lives of those whose achievements have become famous? One of the biographies in which Chinese readers find a never-ending interest is "My Life and Work" by Henry Ford. Using the vernacular, they fairly "eat it up". Mr. Ford has further augmented this volume with another called "Today and Tomorrow". This is a book filled to the brim with remarkably terse epigrams, and these are so thickly scattered throughout the book that they may be seen on every page. They are crisp, happy remarks which have largely to do with "opportunity". He says in one part "There are two kinds of people in the world—those who pioneer and those who plod. The plodders always attack the pioneers. They say the pioneers have gobbled up all of the opportunity, when, in a plain matter of fact, the plodders would have nowhere to plod had not the pioneers first cleared the way—Think of your work in the world. Did you make your place or did some one make it for you? Did you start the work you are in or did someone else? Have you ever found or made an opportunity for yourself or are you the beneficiary of opportunity which others have found or made?"

Search for New Thoughts

Young Chinese readers realize that their greatest opportunities lie before them in books produced picturing Western thought and ideals and while they are searching for a solution of their economic problems they know that they must learn that the past is dead. New thoughts, new programs are fast coming to the fore and it will be only through ceaseless reading and study that they will be able to assimilate the best written by American and English authors. This the Chinese scholar is doing and this matter of study is reaching farther afield into the sciences and arts, especially where technical material is wanted. Never has the demand been greater than it is now for the last word on the building of a structure or curing a puzzling disease. The old time systems won't do and the textbooks used now in the schools and colleges of China are mostly the outcome of American research and skill. The demand for the best thought in *belles lettres* was never greater than at this moment, because young China is now going through one of the most trying periods in the history of the country when it is striving to know more of the industries, arts, sciences and ethics of other countries.

The outlook for Western books, especially those from America, was never brighter, as China is now dependent largely upon constructive material which is supplied largely in the literature produced by Western minds.

That the Chinese reader takes the matter of study seriously may be no better shown than the way in which they really "absorbed" Wells' "The Outline of History". This work is particularly rich in bibliographical material, and it is no unusual thing for him to enter the bookshops with long lists of books so gleaned. This system of collateral reading is the only intelligent means by which the uninitiated in literature will be able to broaden his viewpoint, and the outlook in this direction for the Chinese is very hopeful.

Aside from the serious reading mentioned, books on the drama claim the attention of many, especially educators and social workers. The theatre is part of Chinese life, and the play and its technique are engrossing subjects, particularly where English is being taught. The favorite playwrights seem to be Galsworthy, Barrie, O'Neil, Ibsen, Milne and G. B. Shaw. Of the older writers there is also some interest in Shakespeare, Sheridan and Marlowe. These rank high out of the past.

Little Interest in Foreign Poetry

In spite of their love for the drama, there is but little interest shown in foreign language poetry. They find little in common with the French, German or English poets. Fiction and poetry mean little in their plans of reading, but subjects having to do with the great broad doctrines of thought find a ready and willing audience among these people whom many of us have come to China to serve.

A Consideration of Shanghai Present Day Real Estate—The Position in 1926

(*Continued from page 14*)

mow of land and the old buildings thereon. The purchase of the old British Post Office by the Shanghai Land Investment was at a very conservative auction figure. The Davids, among other extensive purchases, have acquired the property of the China-Japan Trading Company on Kiangse Road, the Ward Building on Szechuen Road and, the Nanyang Building on Nanking Road, the latter at a figure which represents something over two lakhs of taels per mow. We understand that practically the entire Benjamin estate was bought over by the Shanghai Land Investment Company, Mr. Benjamin becoming a Director in that Company. A block of ten mow on Avenue Joffre, near Avenue Dubail, sold at a figure which averages approximately $25,000 per mow, and another piece nearby brought $28,000 per mow. The N.Y.K., it is reported, sold twenty-five mow of land in the Yangtzepoo District at $19,000, and an additional piece of waterfront land near the Point at $8000 per mow. The Toeg property, at the corner of Weihaiwei and Seymour Roads, has gone into Chinese hands, and it is said that the price figured at something like $15,000 permow. On Bubbling Well Road near the Cemetery, a big block of thirty mow has changed hands and has been split up, most recent transactions there being put at something like $15,000 per mow, and another of 36 mow has been bought by Chinese interest, for development, said to be at $27,000 per mow. Numerous other properties in various parts of the city have changed hands, the buyers being a wide variety of investors, and the transactions tending to serve in a better way the development of the city, whether for foreign business or Chinese needs.

Old Town Hall For Sale

Of more than usual interest to the public, it may be mentioned that the old Town Hall site is for sale at something in the neighborhood of $200,000 per mow, the city to locate a new site and make new provisions for Hall subsequent to sale; the report that the Country Club has had very interesting offers for its property and has carefully studied the proposition of moving further out into the country-a move which will doubtless have to be made in the not-distant future; the search which the German Country Club has been making for suitable premises, being temporarily housed in the Council property on Greast Western Road; the rumored negotiations now pending which may result in the sale of the Masonic building on the Bund, that organization to make other arrangements more suited to its actual needs; and the project of the French Council to dispose of certain buildings on long lease, taking over the French Municipal School which will in turn be accommodated in the old premises of the Cercle Sportif Français.

Land Values

Some indication as to the prices which obtain for land in different portions of the city may be obtained from figures given above. It is safe to say that there has been no suggestion of a break, and while the upward tendency of prices has not been striking, it has nevertheless been very steady, and such as one might expect from a growing city. It has however been very general and very substantial. While it cannot be said that *every* piece of ground in the city and its environs is advancing in price at a rate which would be considered gratifying, it can be stated that *selected* real estate gives every promise of increase for years to come and represents sound investment.

Without going into all of the details or attempting to enumerate many sections which have shown marked improvement during the past vear, we cannot refrain from pointing to North Szechuen Road and Extension, and the Scott Road District as sections which have shown much activity. Avenue Joffre has also been very much alive, and this thoroughfare is becoming more and more the business artery for that section of Greater Shanghai, prices being reflected accordingly. Bubbling Well Road and Great Western Road, the main thoroughfare to the West and the avenue which will eventually connect with certain inland Chinese cities, have kept pace and have accordingly rewarded those who have been fortunate enough, or have had the foresight, to invest. The importance which Yuyuen Road has assumed is very striking; though outside the Settlement boundaries, that has developed into a popular residence section, and the numerous extensive compounds to north and south have enhanced the value of the road. Further west we find Hungjao Road even beyond the Golf Club gaining in importance, and the time is not far distant when bargains will be a rarity even in that district which not many years ago was considered far outside of the city.

Chart Shows Land Values

In the chart which is given as an illustration of in pages we have endeavored to set forth in a series of zones the position of the city as it stands now with respect to land values. The legends on the chart are self-explanatory. While no comparisons are given with prices in previous years, one who has been familiar with land values in previous years can quickly glean a general idea as to how prices in the various sections of Greater Shanghai stand today.

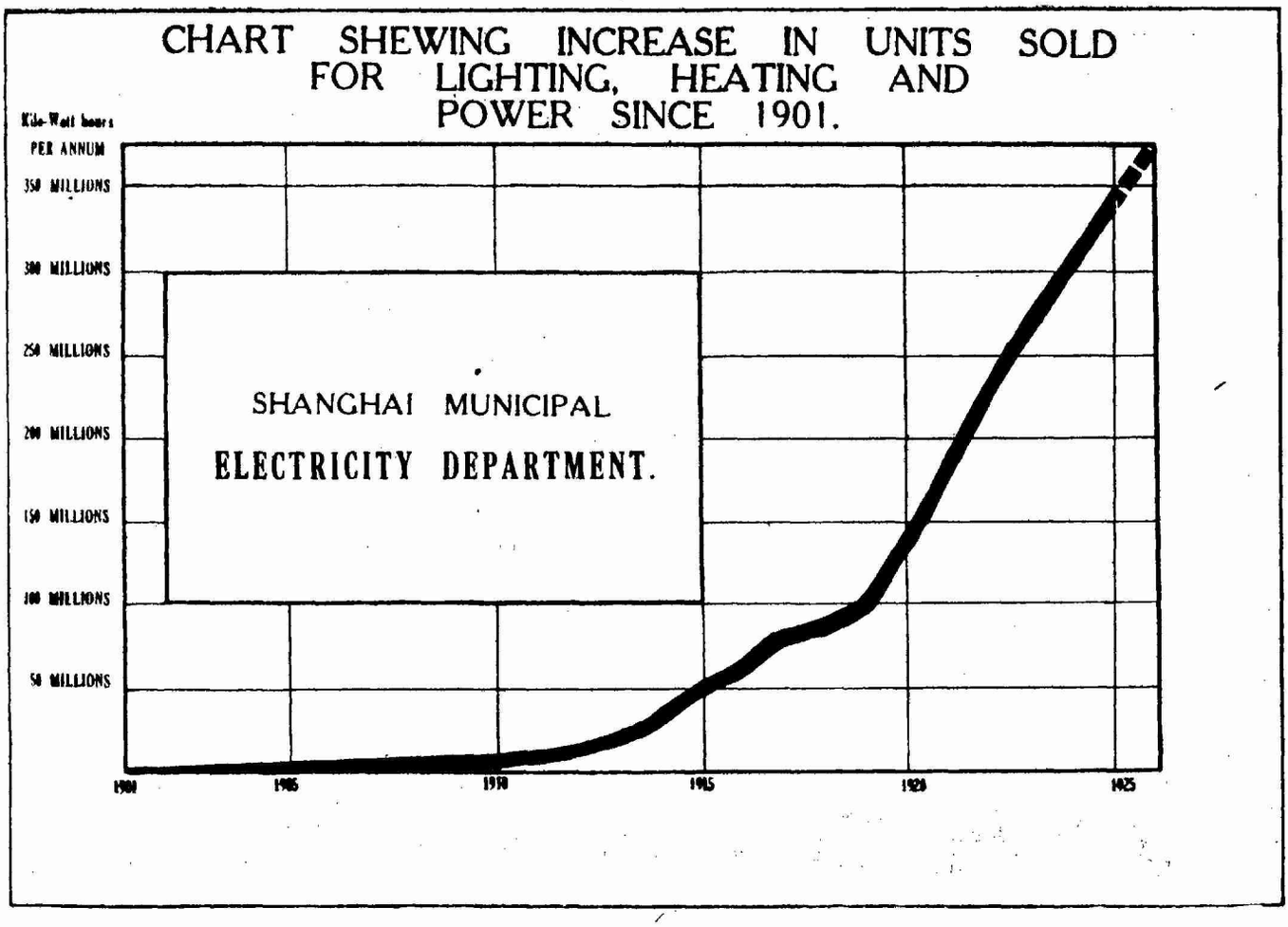
On glancing at the chart one cannot fail being impressed by the manner in which the high valued business property has been reaching out Nanking Road. The Bund still continues to stand as top price property, and the corner of Nanking Road and the Bund is probably the highest priced property in the city. But how much of the value of the Bund is pure sentiment? How much is conceded to "face" or advertising? And what other city of the world such as Shanghai would line its waterfront with banks and office buildings instead of docks and warehouses? The Shanghai Bund is unique and will probably be so for generations; the fact remains, however, that business is creeping out Nanking Road and the best business sites of the future may be found

(*Continued on page 63*)

Shanghai Needs a Great Increase in the Use of Power Directed Instead of Exerted by Human Beings

(*Continued from page 45*)

If the cities are to be ready to use these men to advantage without unassimilated masses of unemployed, they must be provided with more power to drive flour mills, cotton mills, silk mills, steel mills, factories for the making of the goods which men can use and want to u e. Men will then be able to afford theseproducts because of their greater earning power. Man cannot ever produce too much. His wants grow with his capacity to produce, but as he produces more, through directing the power of a machine instead of using his own puny strength, destitution and want become things of the past while comfort and prosperity become accomplished facts.



An Achievement in Municipal Ownership

The Shanghai Municipal Council purchased the Electricity Works from a private concern in August, 1893. The works were then situated on Fearon Road at the corner of Yuhang Road.

The private Company had its beginnings in the early eighties of last century. The station was then situated at the East end of Chapoo Road. At that time, the load consisted of 60 arc lamps, but no lighting consumers were connected. When prospective consumers called for lighting supply, the station was moved to Fearon Road, so that the full benefit of the water in the Hongkew Creek could be obtained for condensing purposes. The graph, as depicted, shows the growth of the Department since 1910, when charge of the Department was taken over by the present Engineer-in-Chief and Manager, Mr. T. H. U. Aldridge.

It was early visualized that, if the full benefits of the turbo-generator were to be obtained, it would be necessary to locate a station near the Whangpoo River, so that an unrestricted supply of condensing water would be assured. Arrangements were made accordingly, and the present Riverside station, with its 120,000 kw. of installed plant, including 20,000 kw. units, is the result.

The cost of current compares favourably with other coal-burning stations of the world. The efficiency of Riverside station is only bettered by some of the super stations in America. A total of 125,000 H. P. is connected to the mains, while, in the winter season, a tota lof 18,200 kw. of heating appliances is connected, and 15,99 per cent. of the Settlement's lighting is taken from the Department mains.

The Department is now in a position to meet any demand called for in the Settlement, or the surrounding territory.

With the cheap available rates, industrialists need not be concerned as to an econmic power supply for factories within the area served by the Department as rates for power compare favourably with prices quoted in any part of the world.

Twenty-Three Years of The Motor Car in Shanghai Indicate Great Progress

(Continued from page 32)

The table below shows the favorite makes in Shanghai, as compiled from the official lists issued by the two foreign settlements. There are one hundred or more of each of the cars named in one or the other of the two concessions.

Make	Inter. Conc.	French Conc.	Total
Buick	543	230	773
Ford	406	299	705
Studebaker	301	118	419
Citroen	140	205	345
Chevrolet	176	97	273
Dodge	184	86	270
Overland	195	64	259
Hupmobile	182	58	240
Fiat	156	79	235
Morris Cowley	139	76	215
Austin	113	50	163

More than one-third of all the motor cars imported into Shanghai in 1925 were from the United States. About one-fifth was from England. The importations from Canada, amounting to 290, included a considerable number of United States cars which were assembled in Canadian branch factories and shipped from there so as to avoid the war tax imposed in the States. The number of cars received from France was 231, and from Germany, 8. In connection with the published report of the automobile census of China, the United States Department of Commerce issued a list of the firms engaged in importing and distributing motor cars and accessories in China. Shanghai has 131 such concerns of which 65 are Chinese; 24, American; 10, British; 4, German; 3, French; and 3, Japanese.

An interesting new automotive center is now developing in the vicinity of Avenue Foch and Route Cardinal Mercier where soon there will be an impressive nest of garages. Bills Motors has purchased land on the corner and plans for a new garage have been drawn. To the west, on Avenue Foch, are Hartzenbusch and the Union Motors, the latter owned by an American-born Chinese. Mark L. Moody and the Taylor Garage shine to the north, and west on Foch are the Hudford Motors and the new firm of Longfellow and Adams, while the Shanghai Service Co. and the Asia Motors are south on Weihaiwei.

Comparative Table

	Inter. Conc.	French Conc.	Total	All China
Passenger Cars	4,056	2,232	6,288	13,499
Trucks	584	149	734	2,142
Motor Buses	40	11	51	632
Fire-fighting Cars	53	16	69	189
Motorcycles	464	99	563	1,427

Shanghai is a long ways from the motor car manufacturing centers of America and Europe, and transportation costs always must be carefully considered. In marine transportation bulk counts heavily, and for this reason automobile bodies can be built cheaper in Shanghai than they can be imported. This discovery was made early, and body-building quickly became a distinctive feature of the local industry. Expert wood-workers, upholsterers and painters have been brought out from America and Europe and some very satisfactory results have been obtained.

About ten of the larger motor car distributors have well-equipped body-building departments. Among the American firms, Mark L. Moody, Honigsberg, and the China Motors have given particular attention to this important feature of the industry, as also have the Horse Bazaar, British, and the two old and successful Chinese concerns, the Baychee Motor Car Painting Co. and the Fei Lung Garage.

Looks for Chinese Trade

Motorists going west on Avenue Edward VII would crash into the plate glass show window of Bills Motors at Thibet Road did they not swerve to the left. The plate glass extends to the second story, and some distance down the street Mr. F. P. Bills may be seen seated at his desk. When one looks into the youthful countenance of Freddie Bills, it is difficult to realize that he has a wife and three or four children, that he carries the enormous responsibility of distributing Fords, and that he is an authority on the motor car business. Being the distributor of the Universal Car, he must necessarily be comprehensive in his opinions. For one thing Mr. Bills places an exceedingly high value on the trade with the natives.

"I'll tell you when I'm going to be happy," said Bills. "That's when 99 percent of my business is transacted with Chinese and one per cent with foreigners. I think the foreign population in China has reached the maximum—at least in our generation. There is a visible limit to the motor car busines that can be transacted with foreigners in China, but the limit of the business with the Chinese cannot be comprehended."

"What thing is most needed to develop the motor car business with the natives?" Bills was asked.

"Roads, good roads!" he boomed. "I believe a motor road between Shanghai and Hangchow would double motor car sales in Shanghai. An I'll tell you this-I think that road will be built within two years, war or no war. The Chinese are going to build good roads because they are learning that motor bus lines can be most profitable business enterprises. In many cases the value of the traffic on the bus line is not sufficient at the present time to warrant concrete or macadam road paving. Often the buses will travel first on dirt roads, and then as the business increases, the roads are improved and extended.

"Just now the motor car industry of Shanghai is waiting for a main highway out of the city, it doesn't matter much which way, but Hangchow and Soochow seem to be the first objectives with the probabilities favoring the southern road as the first one to come into existence. When a highway is built out of Shanghai, a new era of motor car business will begin.

"There is another thing that is holding back business with the natives," Bills went on, "and that is the general lack of knowledge about motor cars and how to operate them. In America about two out of every three persons can drive a motor car. Taking China the country over, I suppose there isn't one in fifty thousand who can drive a car. This means that there must be education. Just now there are one hundred Chinese studying in the Ford factory in Detroit. That is a step in the proper direction. Schools must be established in Shanghai and elsewhere to train mechanics and drivers.

"Apparently there are no prejudices or superstitions to prevent the Chinese from riding in motor cars. Only lack of good roads and ignorance of the cars themselves are holding back the sales. The Chinese are a practical people, and it was inevitable that motor car should appeal.

"By the way, I will receive a shipment of one hundred Fords next week. That makes close to five hundred since January 1. There are now about 1,500 Fords in the Shanghai territory."

Many Recreation Parks Add Beauty and Provide Breathing-Space for Shanghai's Growing Population

(*Continued from page 30*)

project. A portion of the Unkaza Estate, comprising 120 mow, was purchased by the Council to form the nucleus for the park. The estate of Mr. E. Jenner Hogg became a part of the project, also, and lent its tradition of hunt breakfasts and good cheer to the atmosphere of the place.

National Landscape

When Mr. MacGregor, Parks Superintendent, was asked for this opinion as to the suitability of the site for a park he said the following, "Such a park, pine woods, groups of isolated specimens of large spreading trees, only time could produce. Here we have woods and trees, the like of which could not be created on another site in 20 years. Moreover some of the trees are noteworthy: one, a plane tree is probably the finest of of its kind in China. There are various good oak and walnut trees, and some hazel bushes, while the pine woods are the only ones of their kind in the vicinity of Shanghai."

The aims of the garden authorities are threefold in Jessfield. First, they want to keep a section of it like a wild garden consisting of woodlands, meadows, streams and lakes as nearly rural as possible. This will provide wide vistas and expansive landscapes to say nothing of the joys it would provide the picknickers. Second, they want to acquire, and are acquiring, a Botanical Garden containing as large a representative collection of Chinese trees and shrubs as possible, a collection which, when completed, will have rival in none of the largest and most interesting national collections of the world. Finally, it is the aim of the authorities to have a decorative section of the park which will be designed in the same bold style as that employed in the Gardens at Versailles by Le Notre, with large smooth lawns, statuesque avenues, fountains and formal gardens and suitable statuary.

Many Attractions in Jessfield

Among its attractions, Jessfield's rose garden stands high, and there is also an Alpine Garden, a Zoo and a Pond for the sailing of small yachts, the banks of which form an irrestible attraction for the children who frequent the park.

Another of the large green spaces devoted by the municipality to diverse recreational needs is the Hongkew Park. It began in 1901 and about 1903 plans were definitely drawn up for a park in the northern district. The 100 mow of green space were in 1905 embellished with 15,000 trees and shrubs and the present well-shaded appearance now given by Hongkew Park can be traced from that time.

In 1906 two large lakes were introduced into the scenery. A rose garden, a water lily pond and great masses of color which characterize the borders and garden beds gave a sturdiness to Hongkew Park which is an integral part of its atmosphere. Flora from the botanic gardens of Hongkong, Singapore, Trinidad and New Zealand was added in course of time. Rustic bridges and seats appeared and spots wherein those in search of quietude could enjoy the park.

Sports Supreme at Hongkew

Sports reign supreme, however, in Hongkew. Among the recreational aspects in the park is the running track which was originated in 1914 when arrangements were made to hold the Far Eastern Olympic games in Shanghai. Lawn bowls, tennis, golf and boating are among the other sports which have devoted adherents in Hongkew.

Going into the French Concession, we come upon the Jardin de Koukaza which has the power of stimulating the imagination by its charming formality mingled with the pleasant unconcern which typifies every truly French park. As its name implies the garden was formerly a Chinese village. As late as 1900 a village nestled in the midst of the site of the park. In that year it was used by troops placed there following the Boxer troubles to guard the approach to the French Concession. Again in 1905 it took on military significance when it was used as a camping ground for multitudes of Russian refugees who sought shelter in Shanghai after the Russo-Japanese war debâcle and the fall of Port Arthur. In 1908 troops again occupied the post. This time under the command of General Voyron, Commander in Chief of all the French Colonial Troops in the Far East. In the same year, however, it was opened as a park and immediate plans went forward for its beautifying.

Ten years later a lake was made with cascades, and rockeries. It grew in attractiveness and extent until its present size of 150 mow and delightful aspects.

French Park has Brilliant Recollections

Many brilliant recollections hover over the French Park from out the past. The annual 14th of July celebration, the brilliant 1918 fete of "Trianon" and numerous charity functions which have official sanction and the picturesque presence of the Annamite gendarme with a band, perhaps off a French man-of-war, all lend their distinctive marks.

When the Fall of the Bastille is celebrated brilliant lanterns swing throughout the trees of the garden, resplendent butterflies hover over the iris pond and the paths of the Partie Francaise which reminds one more nearly of Versailles than any spot in Shanghai are filled with persons going to and fro enjoying the occasion.

Numerous Smaller Parks

Of the smaller parks there are Nanyang a precious bit of greenery for a children's play-ground situated in Nanyang Road between Hardoon and Ferry and comprising six mows; Studley Park whose purpose likewise is for the children of the neighbourhood in the Wayside District; and two small bits in the French Concession the Square Paul Brunat, founded June 16, 1924 and consisting of three and one-half mows situated between Avenue Joffre, Route de Gustave Boissezon and Alfred Magy, and the Parc Edan founded in 1925 with 26 mow at the junction of Avenue Petain, Route Picard Destelan and Route Jerome Winling.

Of other garden spots it is well to mention the Public Green house at Garden bridge which is always a reserve garden where some of the most effective tropical flora may be seen in a good display, and the Hungjao Road Public Nurseries of the Council.

Still more diminuative bits of green which are consistently nourished by the Council's gardeners are plots in the Bubbling Well and Hart Road Carriage Turn, in the Cathedral Compound where children can play, in the Tifeng Road Children's Playground, in the Wayside Carriage Turn and at Blydenburgg's Turn at the end of Avenue Joffre now leased as a lvertising display but holding possibilities for future park advantages. In other days the Brenan Road Piece had a popularity and was known as Sandal Point. This has now become a resort for Chinese coolies. In the same class, also, may be placed the Warren Road Piece which is now used for a work-yards, but which may one day lend itself to a renewal of youthful park beauty.

UNITED STATES STEEL PRODUCTS COMPANY

Sole Exporters of the Products of

Carnegie Steel Company
Illinois Steel Company
American Steel & Wire Company
American Sheet & Tin Plate Company
The Lorain Steel Company
American Bridge Company
National Tube Company
Tennessee Coal, Iron & Railroad Company
Minnesota Steel Company
Canadian Steel Corporation

BRANCH OFFICES and REPRESENTATIVES IN

Antwerp, Belgium
Brussels, Belgium
Buenos Aires, Argentine Republic
El Paso, Texas
Havana, Cuba
Honolulu, Hawaii
Lima, Peru
Los Angeles, California
London, England
Mexico City, Mexico
Montreal, Canada
New Glasgow, Canada
New Orleans, La.
Panama
Port Elizabeth, South Africa
Portland, Oregon
Rio de Janeiro, Brazil
Rome, Italy
San Francisco, California
Santiago, Chile
Sao Paulo, Brazil
Seattle, Washington
Shanghai, China
Soerabaya, Java
Sydney, New South Wales
The Hague, Holland
Tokyo, Japan
Toronto, Canada
Valparaiso, Chile
Vancouver, Canada
Winnipeg, Canada

WAREHOUSES AT

Antwerp, Belgium
Buenos Aires, Argentine Republic
Callao, Peru
Havana, Cuba
Port Elizabeth, South Africa
San Francisco, California
Santiago, Chile
Sao Paulo, Brazil
Talcahuano, Chile
Valparaiso, Chile

We give prompt attention to inquiries for all classes of our Steel Products, including the following:—

AERIAL TRAMWAYS—Reversible, specially designed
ALLOY STEEL
ALLOY STEEL SHEETS
AMMONIA CYLINDERS
ANGLES
ARMATURE SHEETS
AXLES—Locomotive, Railroad and Tramway Cars
BAMBOO STEEL
BARBED WIRE
BARS—Merchant and Concrete Reinforcement, plain, deformed and cold twisted
BILLETS
BLACK SHEETS
BLOOMS
BOILER TUBES—Lapwelded and Seamless
BOLTS AND NUTS
BRIDGES—Railway, Highway, specially designed
BUILDINGS—Steel Warehouses, Structural Steel for Buildings
CABLES—Steel Hoisting & Haulage Cables
CARS—Steam Railway, Mine and Industrial Railway Cars
CAR ANGLES
CAR WHEELS
CHANNELS
COLD ROLLED FLAT WIRE
COPPER RAIL BONDS
COPPER BEARING STEEL SHEETS
DERRICKS
DRILLING MACHINES
DRILLING RIGS FOR OIL WELLS
DUQUESNE RAIL JOINTS
ELECTRICAL SHEETS
ELECTRICAL WIRES AND CABLES, Bare and Insulated
FABRICATED STRUCTURAL MATERIAL FOR BRIDGES, TURNTABLES, STEEL BUILDINGS, ETC.
FENCING MATERIALS—Wire Fencing, Steel Posts
FORGINGS
FROGS AND SWITCHES—Steam and Electric Railways
HOOPS AND BANDS
MACHINE FORGINGS
MINE TIMBERS
NAILS—Wire
NAIL RODS
NAIL WIRE
PIG IRON
PILING—Steel Sheet
PIPE—Black and Galvanized Wrought for Steam, Gas and Water, American or English Threads, Lapwelded and Seamless Boiler Tubes, Matheson Lead Joint Pipe, Seamless Steel Tubing
PLATES—Boiler, Tank, Ship, Flange and Fire Box Steel
POLES—Steel Tubular
RAILS—Light and Heavy Rails for Railways, Tramways, Mine and Industrial Railways, Special Track Work
REINFORCEMENT FOR CONCRETE—Triangle Wire Mesh
RIVETS
ROPE—Wire for Mine Hoists, Derricks, Cranes, etc.
SCREW SPIKES
SCREW STOCK—Cold Drawn
SHAFTING
SHAPES—Standard Structural
SHEET BARS
SHEETS—"Apollo" Brand Galvanized Corrugated and Plain
SKELP
SLABS
SPIKES—Railway Track Spikes
SLEEPERS—Steel
SPRING STEEL
STEAM PIPE AND TUBES
STOVE PIPE SHEETS
SWITCHES AND SWITCH STANDS
TANK PLATES
TERNE PLATES
TIN MILL PRODUCTS
TIN PLATE—"Coke," "Charcoal" and "Terne"
TOOL STEEL
TOWERS—Steel
TRIANGLE MESH CONCRETE REINFORCEMENT
TUBES—Gas, Water, Steam and Boiler
TURNTABLES FOR LIGHT AND HEAVY RAILWAY SERVICE
UPHOLSTERY SPRINGS
WASHERS
WEATHERPROOF INSULATED AND BARE COPPER WIRE AND CABLES
WHEELS—Solid Rolled Steel for Steam, Electric, Mine and Industrial Railways
WIRE PRODUCTS—Bright and Galvanized, Baling and Fencing and all Classes of Coated and Uncoated for Manufacturing Purposes

The Combined Actual Annual Ingot Production of our Manufacturing Companies for the year 1920 was in excess of 19,000,000 tons.

UNION BUILDING, 1 CANTON ROAD, SHANGHAI, CHINA

YUSEN BLDG., MARUNOUCHI

TOKYO, JAPAN

39-098

A Consideration of Shanghai Present Day Real Estate—The Position in 1926

(*Continued from page 85*)

between the Bund and Carter Road. It is quite probable that the highest priced land in the city today would have a value of between $275,000 and $350,000 per mow. The best business land has probably doubled in value in the past five years.

As for ready capital, Shanghai is perhaps as well supplied today as at any time in its history, there being something like Tls. 100,000,000 more silver than in normal times. This is no doubt due to wars and disturbed conditions which have taken capital out of ordinary business and brought it into Shanghai for protection. However, unless the money should be used by manipulators to force land prices up, even such a sum as Tls. 100,000,000 would have little effect upon the grand total represented by the real estate of urban or Greater Shanghai. It is estimated that the land would have a value of Tls. 1,500,000,000, and the development thereon might be worth Tls. 1,000,000,000; a total of Tls. 2,500,000,000. The amount of free capital in Shanghai above normal would be a mere four per cent of that amount and could be absorbed in Shanghai's real estate without appreciably raising values.

Land Prices in a Growing City

We shall have to find another season for the steady advance in the price of Shanghai land. Land in general has been advancing in price for thousands of years, and will no doubt continue to advance indefinitely, in relation to prices of gold and silver, and until some new unit of value, based directly upon the commodities of life, is put into general use. Land, like other commodities, is limited, and against the vast sums which are thrown on the market annually of new gold and silver, to cheapen our present standards of value, land must slowly but gradually increase in price.

But this would not explain the situation in a city like Shanghai, and we come finally to the basic reason, that Shanghai is a city which is growing phenomenally in importance, in commerce, finance, industry, shipping and population, and into the enviable position as the metropolis of Asia, one of the great cities of the world. And its growth seems assured for many years to come, notwithstanding the disturbed conditions round about and in its very midst.

"Ghosts of Shanghai"

Among the "ghosts" of Shanghai's early days we find some interesting and actually amusing records of real estate transactions. Back in 1860 a strip of 34.5 mow, bordering on Nanking, Thibet and Chekiang Roads was sold at $2245.75 total. In 1863 a piece of swampy land on which the Race Course now stands, in the heart of the city, was bought at Tls. 30 per mow. In 1866, farther out Bubbling Well Road, 23 mow were purchased at approximately Tls. 20 per mow. In 1882, just 44 years ago, the site of the present Town Hall on Nanking Road was acquired at approximatly Tls. 3750 per mow; it is now worth Tls. 200,000. As we move on, prices advance, and in 1895 a lot on Boone and Chapoo Roads was worth Tls. 3000 per mow; today its value would be many times that. By 1911 the land on which the pressent Municipal Building is located could be had at Tls. 70,000 per mow only. Going farther out, we find that as late as 1918, good Yuyuen Road frontage, just outside the Settlement boundary, could be had at Tls. 1500 per mow, and land along Route Ghisi brought about the same figure.

But even so, taking the assessed valuations of Bund frontage land in 1854 at Tls. 6000 per mow and compounding interest at even 7%, we find a present-day cost of Tls. 200,000 per mow, while 8% would make it Tls. 280,000—these figues being approximately the market values of to-day. Rents collected on the land over these sixty years represent profit, as the increase in value has paid the interest on the investment. Such a condition could probably not carry on indefinitely, and certainly not on any but the very best selected locations.

But it must not be thought that Shanghai land is advancing aimlessly, for no reason at all, and towards no particular objective. There is a very definite point towards which prices are naturally bound, and that is towards a comparative equality with land prices in other parts of the world. But we hear it said, the Shanghai land values are already too high; that Land prices are higher in Shanghai than in London and New York!

Comparisons with Values in Other World Cities

We have often heard these remarks, and we set ourselves to find out. Before examining the figures, let us understand that Shanghai today stands close to the top of the list of the world's seaports; it is a city of 2,000,000 people, and will probably have 2,500,000, or more by 1950; it is the metropolis of Asia, and the gateway to the East.

And yet in land prices we find that it ranks with such cities as Honolulu and Rio de Janeiro, hardly up to Capetown, on a par with Manila and Hongkong, 25% under Hamburg, 20% under Singapore, and comes to only 40% of even such a city as Sydney, New South Wales.

Let us take it that the best business sites in Shanghai along the Bund and Nanking Road run from Tls. 275,000 to Tls. 350,000 per mow-the few very best sites. Now against this modest figure, we find that in Liverpool the best office sites just fall short of the Tls. 1,000,000 per mow mark; London itself, the heart of the city, registers Tls. 1,200,000 or more, reduced to the mow basis. Crossing to America where high prices really obtain, we find that San Francisco runs to at least Tls. 1,600,000, while her sister city, Los Angeles, as a result of its real estate activities, runs up to Tls. 2,000,000, on a par with the prize locations in Detroit, the motor car city. The City of New York struggles along with Tls. 2,500,000 per mow for its best locations. But the medal for real estate values must be handed to the City of Chicago, in which there is a small lot measuring less than a quarter of a mow, in the heart of the Loop district, which could not be bought, but which was rented out for a long term of years at a figure which capitalized at 6% shows a value of Tls. 6,000,000 per mow!

The Question of Rents

But with such land values, what about rents? Rents have simply had to follow, and the same inquiry and study show that in all big cities of the world where land prices are higher than Shanghai, rents are also higher. That they are not prohibitive, is due to the fact that buildings are much higher and the same piece of ground produces more rent. But where we in Shanghai have rents for first-class modern office space in the Central District at from Tls. 1 to Tls. 1.75 per square foot per year, we find that in those other cities business firms are able and willing to pay Tls. 3, Tls. 5, and even Tls. 7.50 per square foot for such ordinary accommodations.

With respect to residences in there other cities, rapid transit has allowed those who would own homes to go into the neighboring country and

commute to the city. Where questions of time and other considerations made this impractical, homes have gone the way of offices, and the residences are found in the upper reaches of high apartment buildings-and at good, substantial figures, too.

Streets Add Traffic

We made some mention above of the effect of increasing the height of buildings upon traffic conditions; it is quite plain that increasing the capacity of offices, factories, and other buildings by running them up in the air will not only increase the number of pedestrians on the streets accordingly, but will greatly increase the traffic by motor car, truck, cart, ricksha, tram and in every way. This is but one of the conditions which has been faced during the past year by the Committee which was specially appointed to study traffic conditions.

One of the most important phases of the traffic situation is the program of Street widening which has been going on now for many decades. With the plans now in hand, and in a large way nearing accomplishment, the City of Shanghai will be fairly well provided for; except of course, in the outer reaches where the streets are still few and far between. This situation is being mended as fast as conditions permit. Quite recently the French Municipal Council has authorized a dozen or so new streets which will further open up the western part of the French Concession.

In the study of the traffic problem, the percentage of the city's area given over to roads as compared with the total area has been considered. In American cities we may say that the average percentage taken up in streets runs about 18%, varying upwards in some cases to as high as 25%. With the enormous motor traffic which prevails there, the city authorities find such a street percentage small enough. Against those figures, we find that the central districts of Shanghai show almost 26% in streets, the Northern 21%, the Eastern 16%, and the Western section about 14%. Outside of the Settlement boundaries, of course the percentages are very, very low. In Nantao the percentage is 26% including all public passages, while Chapei and Paoshan run 18½%. It may be taken that a general average for the really developed, built-up city, would run about 17%.

Pedestrians and Rickshas

While this average is much under that in American cities, it must be kept in mind that Shanghai has really very few motor cars and trucks as compared with those other cities, and this situation will probably obtain for decades. On the other hand, pedestrians and rickshas make up a far bigger proportion, due to the crowded conditions under which the Chinese population lives. Furthermore, much has yet to be done to segregate different forms of traffic, with the result that we find the wheelbarrow competing with the motor car for the right of way, quite generally, and thus holding up the stream of traffic. While we have no accurate figures, it is quite certain that the amount of street space per thousand of population is far less than in other big cities in the west. The problem is one which still deserves much study.

Another important recommendation of the Traffic Committee was that of zoning the city for certain classes of development, such as residence, factory, godown, and also with respect to the types of buildings which may be permitted in certain zones. It is sincerely hoped that the program on zoning can be satisfactorily worked out. Other recommendations include the control of the height of open spaces about them; the extension of trams and busses to certain sections; restrictions on motor car parking, and the provision of certain parking spaces, much needed in the Central district; and a ferry service to Pootung. The traffic counts made by the Committee show some interesting figures; for instance, the pedestrian and ricksha traffic north and south, crossing the Soochow Creek bridges, is nearly twice that running east and west, while the east and west motor traffic is nearly three times that north and south.

Road Widening Question

While the question of road widenings and extensions, and new roads within the Settlement boundaries; is one with which the Settlement authorities can well cope and one which is being adequately provided for as the need appears, the question of extra-concessional roads, so urgently needed by Greater Shanghai, is one more difficult of solution and actually a burning issue. New roads are urgently needed in the northern districts to the east and west of Hongkew Park and round about; good thoroughfares should cross Chapei, tying up the roads of the Hongkew Section with bridges to cross Soochow Creek and join up with the roads in the Western District of Shanghai. New roads are needed to open up adequately the stretch lying between the Settlement boundaries and the railway to the west, and beyond that, to Warren Road, the Rubicon, and Monument Road. Some provision is needed whereby the big stretches of country between these two roads in the west may be again criss-crossed with additional roads as the need comes. The opening up of a good road system south of Hungjao Road, between that and Siccawei Creek, would be another outlet of the city which would in future years be valuable. And returning again to the northern and eastern portions of Greater Shanghai, the tying up of the road system around Hongkew Park with that in the Eastern district would open up a fine section where it is much needed, to the relief of the crowded northern and Chapei districts. South of Siccawei Creek, the Chinese authorities have outlined a road system which serves its purpose well, which could also be extended when the need arises.

All sides recognize the importance of roads, and look forward to the time when these arteries running out of Shanghai will eventually be through roads for motor traffic, tying up such interior cities as Soochow, Nanking, Hangchow and Ningpo with Shanghai. But the question has become so involved politically, has been so set upon by the propagandists, and has been so studied by those parties who are seeking where they can levy and collect additional taxes, that it is no longer a question of doing the best for Shanghai and China, for Chinese as well as foreigners. Following the settlement of the Mixed Court rendition question, when that is settled, we may expect the Chinese and Settlement authorities to turn their attention to the extra-concessional roads, and try to clear that up.

Rentals

Before discussing the subject of rents and theorizing as to what will happen to rents under conditions which we will have to expect in the future, we would mention first of all that rents have been steady for the past three years. There has been no drop, but on the other hand rents have not gone up on any kind of accommodation. Vacancies are few, and landlords are content to allow properties to go vacant until they can obtain the rentals which their investments demand. True, due to the slack business conditions of the past few years, and due to extensive office building construction, rents in commercial buildings are somewhat under the high figure of four to six years ago; but this situation will readjust itself just as soon as business revives. Rents on foreign residences have remained at a fairly low figure for the same reason. These subjects deserve further consideration. A recent analysis made by the Shanghai Municpal Council

indicates that, notwithstanding the large number of houses, both foreign and Chinese, built during the past year, vacancies are less than they were a year ago, and rents are if anything a trifle higher. It seems very certain that the Chinese are more and more taking to foreign style residences with modern conveniences, and we may take it that this tendency will be even more marked in the future; foreigners are abandoning the old style Shanghai houses for up to date accomodations.

Expect Upward Tendency of Rents

On the general subject of rents, it is very difficult to see how one should expect anything but an upward tendency. Compare Shanghai with Other cities in the world, of similar size and importance, and we find that the rents paid here for office buildings are but one-half to one-fourth of theirs, and there is no reason why Shanghai business should not be able to pay the same rents as are paid by the same businesses in other countries, whether for offices, industrial purposes or godowns. Certainly we cannot expect that land is going to become any cheaper—we shall have to expect the reverse, as the years go by; how can we expect that there is going to be any substantial reduction, or any reduction at all, in the cost of the materials, whether imported or of local production? and who could expect, who could wish such a hardship on China as to hope, that with advancing prices on every thing we need, the workmen should continue to receive the same wage and not have it doubled or trebled or quadrupled within the next decade?

As we cannot see, by any stretch of the imagination, how land and building materials and labor can do anything but creep slowly upwards, particularly in China and Shanghai, we are reduced to two alternatives: either interest rates, which hover about 8% or 9% in Shanghai, and which directly determine the amount of profit which the landlord must have on his investment and the rates which he shall charge for rent, must be substantially lowered, or the rent charge for a given property or for given premises must slowly rise, Even the reduction of the interest rates from 8% or 9% to 6% or 7% would not permanently put off the day when rents must go up. This has been the story in other cities of the world and so we shall have it told in Shanghai.

Apartments

A very important development, particularly for foreigners, is in building the apartment during the past few years. The question is often asked: Is Shanghai destined to become an apartment city? In a certain way, Shanghai has always been an apartment city, and most of the old buildings, even the office and shop buildings, have their top floors fitted up as residences for managers, proprietors, and staff. It is quite recently, though, that any effort has been made to bring the Shanghai apartments up to what is considered best and most modern in other cities. Changes come slowly, and improvements from western cities are adopted slowly; furthermore, conditions of life in the Far East require a different sort of apartment, and this has to be developed by experience.

It cannot be said that any particular section of Shanghai is destined to become the apartment neighborhood. Apartments are to be found in all parts of the city from the Bund to the Western Extension, with large numbers in the French Concession West, and good apartments making their appearance in the Northern District as well, so that the dedication of any particular section of the city to apartments will be a slow matter. At present it is estimated that there are from 700 to 900 apartments in the city exclusive of the old style "flats." Not all of these meet the modern requirements adequately, but they are constantly improving; even so, it is said that Shanghai is years behind Western cities in this regard.

It seems certain however, that Shanghai, like other big cities, is to become a city of apartment dwellers. This refers particularly to foreigners, for the manner of Chinese residence is quite different. As a matter of fact, the Chinese have always crowded together in such manner that very few have had individual houses, but have occupied parts of houses or even rooms, which is itself a portion of the apartment idea. It will be a question of extending and improving upon this method, and providing better and more sanitary living quarters. Here an interesting question arises as to whether the Chinese will take to apartment living as it is understood in the West. While it may be expected that a good number will learn to accommodate themselves in foreign style apartments, just as they have taken up foreign style houses-perhaps with little modifications-,it is the thought of some architects that a scheme of apartments specially designed to meet Chinese needs may be worked out to good advantage. Chinese apartment needs will differ in many essential respects from the ordinary foreign style apartment. This question is now being considered by both foreign and Chinese architects, and experiments will probably be made in the near future.

Houses always in Demand

As for foreign residences, it seems now that, sooner or later, a good portion of the foreign population will be driven to apartment houses in self-defence, as a matter of economy and of saving time. So long as land can be had within easy distance of the Bund, say, so that the motor car trip will not consume more than a half hour, we take it that there will be a good part of the population which will still wish to live in individual houses. Even as far as Hungjao and Monument Roads, the trip can be made in, say, half an hour. The question of deciding between individual residences and apartments will then be a matter of economy. As the city grows and prices rise, foreign residents of moderate means will find it entirely too expensive to rent or to buy land and build such houses as are found in the French Concession and the Western District, renting now at say $100 to $200 per month. Up to the present, the crowding in the central parts has kept reasonably priced land within "commuting" distance of the business district; and within the past few years the extension of the use of motor cars, and other rapid transit conveyances has allowed home seekers to go further west keeping just ahead of the high-priced land. This cannot, of course, continue indefinitely, and we must expect that more and more foreign residents will have to accommodate themselves in apartments within easy reach of the Bund. It will be quite easy for apartment owners to provide good accommodations at rates which the average man can afford to pay, and still make good returns on their investment.

The Future of Rents

An examination of rental figures as compared with property values suggests that rents have not kept pace with real estate values, and except for certain properties which were built when land and building were cheap, certain fortunately located new properties, and such new types as the modern apartment building, rentals are not producing a good return to investors. That office rents have not kept up, we have to ascribe to business conditions; that the rent for Chinese shops and dwellings is low is due simply to the fact that for the present the ordinary Chinese population simply cannot afford to pay more; the

Shanghai Land Investment Co., Ltd.

(Incorporated under the Companies Ordinances-Hongkong)

Head Office
28. Jinkee Road.

Houses to let and for sale.

Mortgages arranged for large or small amounts.

Godown and factory sites.

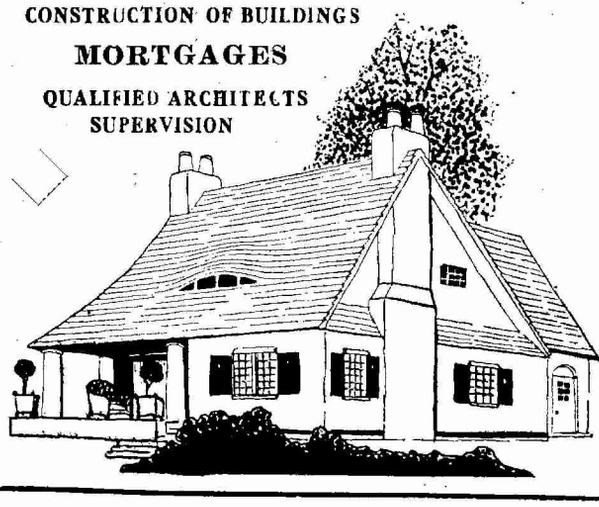
The entire management of all classes of property will be undertaken by this Company.

Fonciere et Immobiliere de Chine

Societe Anonyme au Capital de Taels 400,000

Telephone: C 7081-85.
Shanghai 9 Avenue Edward VII.

MANAGEMENT OF ESTATES
COMPETENT SUPERVISION OF REPAIRS.
APPRAISAL OF DAMAGES
REGISTRATION MEASUREMENT OF LAND.
COLLECTION OF RENTALS
PURCHASE AND SALE OF LAND
CONSTRUCTION OF BUILDINGS
MORTGAGES
QUALIFIED ARCHITECTS SUPERVISION



status of the foreign residents was discussed under the subject of apartments. That this condition could come about for Chinese properties which represent such a big proportion of the city's real estate, and that investors are content to accept a seven per cent return, may be due to the fact that many outside investors have come to Shanghai with their money and are glad to put it into real estate for security-almost irrespective of the return. Generally speaking, investors feel quite safe with returns as they are, due to the fact that they look for an additional increment in the annual rise in the value of land.

Rents are of course figured out on the total cost-or rather present value—of land and buildings. With interest rates running at say 9%, the landlord should have from 12 to 15% on his total outlay or on the total value of the property, to cover himself for interest, depreciation, cost of operation and various other expenses, and provide besides a little profit. Based on present values, most properties in Shanghai produce much less than that today.

Rents and Standards of Living

With reference to Chinese shops and dwellings, the condition is simply one of Chinese economics. Recent studies made by Shanghai organizations show that with present wages Chinese tenants are simply unable to pay more and cannot improve their standards of living. This is a vital issue, and it seems that the only solution will be, not merely a *gradual* improvement in wages and consequently in living conditions, but actually a *rapid* improvement. This must come about, and with it the mass of the population, will have more, will buy more, will increase in every way their standards of living, and eventually will meet the higher rents which will have to be expected. It is clearly established, we believe, that higher wages with the consequent improved conditions will make for better business and for prosperity the whole way round. The masses will put the money back into circulation, will experience new needs and requirements. will lead better lives, and will produce more in return-probably in shorter hours. This is the history of the same experiment made elsewhere; it has been the history in the Philippine Islands, where in a quarter of a century the income of the people has been increased many-fold and their production has gone up accordingly.

The Future City

Such is the record of Shanghai's realty during the past year and its position as we see it today. What of the future? Let us say that Shanghai today has a population of two million people; this is generally conceded, speaking of Greater Shanghai. Not so long since, it was a city of perhaps but one million people. The conservative estimates of the Traffic Committee indicate that it will have a population of two million and a half or more twenty-four years hence, in 1950. Such an increase really makes up a good-sized city in itself. Provision will have to be made for a half million more people, the industries and other vocations which they will represent, the dwellings in which they will live, and their other widespread interests. And this is to be a cosmopolitan city, with probably an increasing number of foreign residents from all parts of the world; a city with constantly improving standards of life.

But this is not all. In other continents we have our Londons and New Yorks, and other great cities numbering from three million to eight million inhabitants. This the Orient is a land of great cities; not long since we used to marvel at the immense cities represented in the native populations of China,

(*Continued on page 67*)

Life Insurance In China Presents Many Complicated Problems

(*Continued from page 40*)

claims in China for over 20 years and I can confidently state that quite a large proportion of the deaths occur from disease, preventable in other countries and readily curable when they are contracted. The diagnosis and treatment of the disease by old-style doctors or by some of these partially educated new-style doctors are often such that the victim would have had a much better chance of recovery had he trusted solely to Dr. Nature. It will be seen, therefore, that a life insurance company literally "gets it both coming and going", in respect of its Chinese risks. It is also quite certain that no company confining its business exclusively or largely to Chinese risks can permanently make a profit out of that part of its contracts which cover the life insurance risk only.

Insurance Complications

Whilst there is a good deal of misrepresentation as to age in the absence of any official registration of births as well as suppression of material facts in giving details of family and personal history to the medical examiner there is little chance of successful fraud in respect of the death of the policyholder. Death is such a very important matter in the case of any Chinese who can afford to insure his life that concealment of the facts is extremely difficult and even more so than is the case in foreign countries.

I have been often asked how the lapse rate of policies issued on Chinese life companies with that of foreigners. Experience is very favourable to the Chinese in this respect. The average Chinese is a very persistent chap in everything and when he has paid a premium on his policy he will rarely give it up voluntarily. I have known many large agencies showing for long period of time, over 95% of the renewal premiums collected. On the other hand as new business is much more the result of feasting, favors and friendship, the proportion of first year premiums unpaid is probably considerably greater than with foreign insurers. An ingenious 'save face' excuse for refusal to pay by an applicant in first class health when examined was to the effect that his conscience troubled him for having concealed details of former ailments which he now confessed in order that the policy might be at once cancelled. The ailments were given as follows:—

1. Vomitting blood (Three times)
2. Cancer of the Stomach (Only once)
3. Disease of the Brain (2 years)
4. Venereal disease (Still not quite convalescent)

Chinese Can Succeed

An impression might, not unreasonably, be obtained from what has been stated as affecting the business of Life Insurance in China that Chinese companies are so handicapped as to render success almost impossible. This would be, however, an entirely wrong assumption. Given the initial and continued qualities of management that have been here ennunciated as essential both permanance and prosperity can certainly be achieved. This has been already demonstrated by the progress of one Company during nearly 15 years when conditions could scarcely have been more unfavourable in almost every respect other than the opportunity for very profitable investments.

It is true that the possibility of success is remote but it none the less exists in virtue of the enormous rates of interest obtainable in China even on gilt-edged securities. Many concrete illustrations in support of this could be given if time and space permitted. It is sufficient to state that, taking the past period of 20 years, the funds of a life insurance company carefully invested in, say Shanghai, in Debentures, Bonds, Preferred Shares, Real Estate and other secured loans could have earned an average least 8% per annum or certainly over 3% more than of at a 'Home' company on similar securities. The experience of the China United Assurance Society during a period of over 14 years has been an average, on invested assets, of over 9% and as evidence of the soundness of the securities it has never been necessary to 'write off' any loss of invested capital. It is worthy of note in this connection that during my own residence of 20 years in Shanghai real estate values have continuously appreciated and there can be very few individual lots, if any, that have not risen in that period about 400% in market value whilst the averge increment must be very much greater. Of course where the revenue is spent in the payment of claims on policies that should never have been issued, or in expenses that should never have been incurred, or in other ways squandered or misappropriated there can be no surplus funds to invest. On the other hand it is obvious that where probity and experienced ability has a free hand in the management the greatly enhanced revenue from investments offsets in a large measure, and should even more than actually cover, the much higher rate of mortality which is inevitable for some time to come even under the best possible management. Furthermore it is certain that capital will long continue to earn exceptionally large returns in China. Bearing in mind that capi al doubles itself in about 9 years at 8%, but at 5% will require over 14 years to do so it requires no actuarial calculations or other data to substantiate the contention that given sound management it is quite possible for a Chinese life insurance company to establish itself on a permanent and even prosperous basis if its business is mainly confined to the Endowment or investment form of policy.

Social conditions, which it has been shown have been hostile to life assurance development, are changing for the better in all those places coming more completely in touch with the western phase of civilisation, with a rapidity, that is really astonishing. Special progress is being made in all matters such as hygiene, sanitation, medical science, etc.

(*Continued from page 66*)

Japan and other countries of the East. Who would be so pessimistic as not to foresee that we shall have to provide here for a city, not of a mere two million and a half, but for a great industrial and commercial metropolis of four or five million souls?

Nor does Shanghai depend entirely upon foreign control for its progress and its future. Even today, in the midst of chaotic conditions, in the midst of plots and counterplots, Shanghai evidently continues to grow and her business actually increases. What shall we expect, then, of her business and her real estate when the situation becomes more settled and under a central control? The possibilities can hardly be overestimated, and the indications are that in future decades Shanghai real estate will share in a prosperity for which the past seventy years have been but a preparation.

Note: Exchange rates at the time these figures were worked out from foreign currencies into taels, the rates on New York and London, were appoximately 72 and 2/11/½ respectively; due to recent fluctuations the rates now hover about 58 and 2/5/ 1/8. This makes an increase of about 20% in the silver equivalent of those foreign currencies, and consequently still further increases the disparity between Shanghai land values and those in other cites.

which affect health and the duration of life and which therefore are of paramount importance in relation to the business of life insurance. The popular eagerness for enlightenment on these matters has been due, in no small measure, to the efforts of the Council on Health Education founded by Dr. W. W. Peter and his Chinese colleagues some years ago as well as to the work of the 'Welfare' Department of the China United Assurance Society inspired by and based on the example of the Metropolitan Life Insurance Company of New York which probably far excels any other single organisation in the world in the scope and efficiency of its work not only in extending the lives of its own policyholders but in the educating the masses on all those matters which make for good health and longevity. The effect of this health propaganda on the mortality rate, in those parts of China where it has been possible to undertake it, is already evident.

Begin to Understand Life Insurance

Whilst general health conditions are undoubtedly improving rapidly the superstitious fear of life insurance from its inevitable relation to death is yielding fast to modern education and the representations of life insurance companies. It is now more generally understood that all life insurance companies are vitally concerned in the prolongation of the lives of their policy holders and the tendency is, as might be expected, that on the average insured persons live onger than the uninsured.

I have said that the demand will eventually produce the men qualified to meet the requirements of sound life insurance management. The Chinese are an exceptionally intelligent people and capable of the highest degree of specialised mental training but many modern professions and businesses and especially anything in the nature of a corporate enterprise demand certain qualities quite new to Chinese psychology and it takes more than one or two generations to fully develop them as it would those of any nationality in similar circumstances. Meanwhile there can be no loss of 'face' or national dignity in the employment of foreign experts. For several decades American companies relied almost entirely upon English and Scotch actuaries and China's material progress on modern lines will undoubtedly be greatly accelerated and vast economic waste avoided if carefully selected foreign technicians are freely employed during this period of 'new-birth' when inherent national qualities of sterling worth have got to be applied to entirely changed sociological conceptions.

Politics Affect Life Insurance

The business of life insurance is as responsive to political conditions as a plant is to water. In this connection the superficial observer will say that China is going from bad to worse. I would say that she is going rapidly through certain phases which history confirms as inevitable. The militarist reaction is yielding even now not only to physical force but for the first time in the history of China to the pressure of public opinion. This is of vital importance even if such opinion is for the present not wisely directed. China seems determined to learn only in the costly school of her own 'Experience' but the principles there taught are sound and if followed must eventually lead her into the still waters of national peace, progress and prosperity. The point I wish to emphasise is that close observers agree that amid all this welter of internecine warfare, official corruption and political chaos, there are clear indications of a growing national consciousness which must sooner or later rise superior in its influence on national affairs to the militarists who now occupy the stage.

As I understand that the *China Weekly Review* has a considerable number of Chinese readers, I conclude these random notes on life insurance in China by addresing a few words especially to them. When we speak of the life insurance business, it is for want of a better term for a life insurance corporation is not an ordinary commercial undertaking primarily for the benefit of shareholders. Life insurance might more properly be described as a vast financial cooperation by men of all grades and classes social system of for the mutual benefit of all in proportion as each individual subscribes to the scheme. The policyholders as a body might fairly be described as a financial democracy of small capitalists.

Life Insurance Assets In America

In America the combined assets of the life assurance companies exceed Gold $ 7,000,000,000 of quite a respectable proportion of the entire national negotiable securities. This vast aggregation of capital owned by over 35,000,000 policyholders and controlled by their carefully selected representatives is invested in Government and Municipal Bonds, in Mortgages and other loans, in Railway Bonds and those of light, heat, power and innumerable other financial and industrial enterprises. It is this massed capital that has greatly assisted in the amazing economic development of America. Capital is the prerequisite of economic progress and though the use of foreign capital will be necessary a very considerable amount is available in China itself if it were possible to establish national insurance and banking enterprises on sound lines and secure popular support for them. Enough has been said in these discursive notes to show that the man who patronizes life insurance not only discharges domestic obligations to his family as well as providing for his own needs but, whether he realises it or not, he is cooperating in an economic system of immense national importance.

Promotes Prosperity

In conclusion China is irrevocably committed to development on a modern economic basis the fundamentals of which are inexorably the same world over and work together for the good of humanity as certainly as two and two make four. It is now over 12 years ago that I advocated in a Chinese Magazine popular cooperation in the establishment on a sound economic basis of national savings repositories in the form of insurance, banking and other financial enterprises. I pointed out that elsewhere such aggregations of capital exert an almost irresistible and beneficent influence on the political life of a nation. Particularly in China will they demand and gradually obtain such reforms and, changes and such legislation and its enforcement as will protect the people's savings and encourage the promotion of enterprises in which they can be safely and profitably invested. Thus would be evolved a financial power that would loom large on the political horizon and its bullets of silver would eventually prove far more effective in promoting national unity and progress than those of lead. China is potentially one of the richest countries in the world but unless her people are to continue to virtually starve in the midst of plenty, steps must be taken to recover the nation's natural wealth from its unproductive and useless inertia and convert it into liquid form for free circulation. In this connection I urge the younger generation of Chinese who are imbued with modern ideas as well as the spirit of national consciousness and pride not to neglect an unbiassed and unprejudiced

study of the basic principles of all economic and social progress. Such a study must lead to the inevitable conclusion that social evolution can only proceed as the result of human experience in the light of which what is best survives and what is unfit is eliminated. Whilst there will always be changes and adjustments necessary as education and science widen the scope of human experience it will be found that revolutionary or other short-cut methods which involve a radical departure from natural processes will not only end disastrously but are actually subversive of all that civilization has so laboriously achieved for the well-being of humanity.

Shanghai Department Stores Have Unique History of their Founding

(Continued from page 43)

Occidental is inclined to think of Shanghai as something primitive if not semi-civilized. Very often the city is associated with wheelbarrows and junks and that sort of progress.

What a surprise it then is to he new arrival upon seeing the latest model of the Rolls-Royce whirring up Nanking road and stopping in front of stores whose size and appearance compare most favorably with those on Oxford Street, Fifth Avenue, and the Rue de la Paix! The tourist steps ashore and finds that all "home side" brands are advertised and sold in the department stores of Shanghai. The "Jaeger" pull-over is displayed side by side with the B. V. D. underwear, and "Houbigant" perfumes are sold in a department just above that where "Florsheim" shoes attract their attention. Shanghai with its cosmopolitan department store supplies can well boast of its foreign and Chinese stores as "universal providers".

Hall and Holtz Ltd. Long Established

Of the foreign department stores Messrs. Hall & Holtz, Ltd., can truly be called the "grandfather of stores in Shanghai, if not in China. Thru a merger between Mr. Hall and Mr. Holtz, the company became incorporated under its present name in 1842. Next came Weeks & Co., a very popular store specializing as drapers, outfitters, milliners, cabinet makers. complete house furnishers and decorators. Lane Crawford & Co., Ltd., soon followed, and then came the Whiteaway, Laidlaw & Co., Ltd., whose chain of stores thruout the Far East and the Straits Settlement is well known.

Of the Chinese stores, Sincere's was established in 1918 as a branch of the Sincere Co., Ltd., of Hongkong, while Wing On's as an affiliated company of the Hongkong enterprise started here in 1920. The latest addition to Shanghai's department stores is the Sun Sun Co., Ltd., whose inauguration took place last January.

There are seven up-to-date stores to cater to the needs of a great public, whereas less than ten years ago only four foreign stores existed, "Greater Shanghai"! Is not the contribution of the Shanghai department stores apparent? As mediums of distribution, as creators of more wants, as providers of better and more efficient service, as Meccas for tourists—who can say that the department store is not doing its part to make "Greater Shanghai" all the greater?

SUBSCRIBE TODAY TO
The China Weekly Review
and read it regularly—*every week!*

Beautiful Silks and "The Lion Silk Store" are Inseparable

The Lion Silk Store

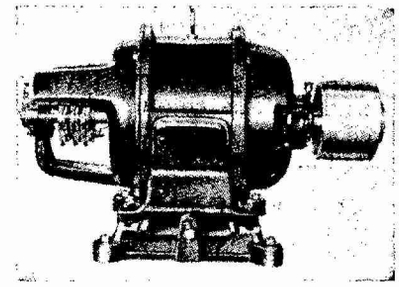
Established 1925

You may have a fashionable and most attractive pattern, but if your silk is not of the best or of the most stylish design, you will wish that when "thinking of silks, you had thought of "The Lion Silk Store."

Forestall regrets and call at the

Laou Kiu Luen & Company
"The Lion Silk Store."
P. 424 Nanking Road Shanghai.

Mail orders receive our prompt attention



LARSEN & TROCK
44 Avenue Edward VII
Telephone C. 7277

Sole Agents for the well known
T. B. T.
Electric motors
and
Generators

How Greater Shanghai Appears from A Modern Industrial Standpoint

(*Continued from page 28*)

at home, or financed by powerful banks in their respective countries. Generally speaking, the foreign factory is better managed in every way. The foreign shareholder is well satisifed with an annual dividend of as low as 5 %, but this is not the case with the Chinese investor, who wants immediate and large returns. A paper mill previously mentioned in this article has cleared more than $ 5,000,000 during the past few years, and all profits have been given to the shareholders. They have never thought of future extension. Men holding executive position get very low pay, and hence generally are incapable and untrained. Only men of influence hold their position, no matter what wrongs they may commit. The result is that only a few Chinese owned mills are efficiently managed.

Reasons for Shanghai's Importance

Besides its unique geographical location, Shanghai has become a great industrial center on account of many distinct artificial advantages. Shanghai is a great financial center, where modern banks, both foreign and Chinese, are greater in number and in capitalisation than any other city in China. These banks generally are acquainted with the standing of many industrial promoters, and are willing to make loans to them. In dealing with the native bank, if a man's credit is good, he can easily start a factory with a small capital. During the period of the cotton mill boom in 1919, a cotton merchant erected a million dollar mill with only $ 100,000 in hand, the balance of which was financed by the native banks. A very large Chinese cotton mill located in the western district of Shanghai employs a European manager, who concurrently holds a reponsible position in a certain large foreign bank, from which short time loans and even mortgages can be arranged at a very low rate of interest. During certain seasons of the year, particularly during the harvest time, many kinds of raw material such as cotton, wheat, etc. can be usually secured at a lower price than elsewhere and only factories located in Shanghai have this advantage.

Cheapness of Electric Power

As water-power has not yet been developed in China, a great factor contributing to the prosperity of industries at Shanghai is the cheapness of electric power. To put up a power plant is quite an engineering work, especially in the interior towns where efficient engineers are difficult to find and the cost of transportation is high. The total cost of a power plant may be equal or perhaps greater than the total cost of factory site and machinery. Power for manufacturing purposes can be obtained at a very low rate from the Shanghai Municipal Electric Plant. The rate is so cheap that it is impossible for any mill to produce power any cheaper, This is why no factory located in the Settlements operates its own power plant.

Protection Against the Military

Shanghai as a treaty port offers industrial enterprise excellent protection against lawless soldiers looting or doing any damage during the time of internal strife. Many battles have been fought in and around Shanghai during the past 12 years but no factories have been molested or even touched by the lawless soldiers. The conditions are different in interior towns. During the civil war in 1924, a warehouse, full of raw cotton a cotton mill located in an interior town, was burned and as a result the mill suffered a heavy financial loss.

Competition Improves Management

Modern industrial competition gives encouragement toward improvement of methods of management. During and since the world war many types of modern factories have rapidly sprung up in comparatively short time, which has drawn men from other lines of business to fill responsible position in these newly built mills. The cotton mill may be taken as an excellent example. During the past few years of general business depression, many newly built Chinese mills have gone to the wall, the result of which has led these owners to believe that there is something wrong in their mills. They have begun to study the reasons that have contributed to the success of the local Japanese mills, gradually they have learned the newer and better methods of industrial management, and consequently they have applied them in their own mills, the result of which is that many of these mills, once inefficiently managed, are able to produce goods cheaper and better than ever before.

Many types of industries are located in Shanghai because of the association with other industries. The best illustration is the development of iron works, which are making small machine parts, gears, and the like for the local mills, and which have sprung up parallel with the progress of the cotton, flour, and silk factories. Technical experts, machinery importers, and machine shops are ready to give their services at a moment's notice to any mill in time of emergency. Broken machinery can be easily repaired or replaced without much difficulty. Almost all the skilled laborers in China are concentrated in Shanghai and are generally not willing to go to interior towns even if they are temporarily out of job. Once a gang of machinists was called to a new cotton mill in Shensi Province, and each demanded a contract from the owner countersigned by local shop before they would start on the journey to the interior.

Economic Disadvantages Here

Shanghai also has many economic disadvantages as a great industrial center as seen through Chinese eyes. All factories in Shanghai are congested in both the Yangtsepoo and western districts along Soochow Creek, where the price of land suitable for manufacturing purposes is unusually high, being from 3,000 to 6,000 taels per mow, (¼ of an acre) and besides, it is very difficult for any one to purchase a site of a hundred mow for cotton or flour mill unless a ridiculous sum of money is paid. A hundred mow site including that for future extension is usually required by a large mill. The total cost of the land alone will be around half million of dollars, the annual interest rate which will well satisfy the shareholder if the factory were located in an interior town.

The Labor Problem

The labor question is becoming a most serious problem for the factory manager in Shanghai, and deserves careful study. Since the May 30th incidents of last year there is scarcely a day past without a strike taking place in one mill or in another. It is said that during this period more than 300 strikes have taken place in Shanghai mills, more than 50% of which were in the cotton mills. The reasons for the strike are many, but the object of the strikers usually is for better pay. Recently the price of rice has gone up considerably, while the wages have not increased proportionally. Some claim that Bolshevism has much to do with the present strikes, but labor strikes on a large scale are almost unheard of in interior towns. To adjust the labor problem is to assure the future industrial prosperity in Shanghai.

The New (Third Edition)

WHO'S WHO IN CHINA

Biographies of Chinese

What Do You Know About Such Men As The Following?

Chang Kia-ngau
Chang Hsueh-liang
Chao Heng-ti
S. U. Zau
Chun Shut-kai
Ch'en Chin-tao
Chen Chiung-ming
Chan Lim-pak
Tcheng-loh
Eugene Chen
Chi Hsieh-yuan
Chiang Monlin
Kungpah King
Chu Pao-san
Chu Shao-hsin
Y. Y. Tsu
Chang Chung-chang
Feng Yu-hsiang
Fu Siao-en
G. Zay Wood
Sir Robert Hotung
Y. S. Ziar
Hsiung Hsi-ling
George Hsu
Sao-ke Alfred Sze
C. T. Wang
Jabin Hsu
Singloh Hsu
Fong F. Sec
Wu Pei-fu
C. C. Wang
Tung Hsien-kung
C. C. Wu

These are but a few names selected at random from the hundreds appearing in the new edition of "Who's Who In China." It is important that you should know something about the educational training and accomplishments of these and the other men of affairs in China.

Order Your Copy To-day

A Valuable Addition To Your Library

The New Third Edition of **WHO'S WHO IN CHINA** contains over 1000 pages with the biographies and photographs of the leaders of the present day in China.

Printed on good grade book paper and suitably bound in imitation leather, the new edition of **WHO'S WHO IN CHINA** will make a valuable addition to home or office library.

If you are interested in China, whether in business, missionary or teaching enterprises you can't afford to be without one of these books.

Price Mex $8

(Post paid)

The

China Weekly Review

Millard Publishing Company

4 Avenue Edward VII, Shanghai

Orders may by placed with leading book stores in all parts of the Far East or may be placed direct with the publishers

39-107

Most Shanghai factories have to buy their raw materials from inland towns, perhaps some hundreds of miles away. For instance, the cotton mills buy raw cotton from Tungchow, Hankow, Honan, and even from Shensi Province. The transportation cost from these places to Shanghai may average anywhere from 5% to 30% of the total cost of the raw material. As Shanghai is not a consuming center, the manufactured goods must be sent to the interior for final consumption. During the time of civil war, or strikes, many Shanghai mills have experienced great difficulty in getting steady supplies of raw material. For the past three years, the price of raw cotton in interior cotton growing districts has been very low, while that in Shanghai has been very high on account of the scanty arrival from the interior.

Economic Conditions in Chapei

Factories located in the Chapei district have some slight economic advantages as well as disadvantages in comparison with these in the Settlements, althought both places are collectively called Shanghai. The Chapei district lies in middle ground between the foreign Settlements and the interior towns. The price of factory sites is from 10% to 30% cheaper, and wages are about 5% lower, than prevail in the Settlements. The water supply is bad and inadequate roads are narrow and not well constructed; and the price of power is much higher, from 100% to 300% higher than that supplied by the foreign Municipal Plant. If a factory located in the Chapei district has to consume a great quantity of power, it must erect its own power plant, which requires an additional initial capital.

Industrial Situation in Interior

As times change, the economic conditions of the country may adjust themselves. Industries that have been established in one section of the country may remove to another section depending upon the economic advantages. Rug and carpet industry, once all concentrated in both Peking and Tientsin, now is developing, in Shanghai. On the other hand many new industries, such as match making egg products, cement flour, and paper, also flourish in many inland towns. The unsettled political conditions of the country has been a stumbling block that has hindered the progress of industrial development in the interior during the past 15 years, but such a state of affairs cannot continue forever. When permanent peace has been secured, we will see a new era of greater industrial development. The question as to whether Shanghai will continue to develop its industrial enterprises in the same degree and proportion as in the past remains to be seen. In the meantime, a greater and brighter prospect for industrial development is shown in many urban towns near Shanghai, particularly in Pootung and Wusieh. Since the construction of the Shanghai-Nanking Railway, the city of Wusieh, although it is only a two hour ride on the train from Shanghai, has become what is commonly called "Small Shanghai". Wusieh has 5 large modern flour mills, 6 large cotton mills, 17 silk filatures, and so on. Pootung, once considered a place only good for warehouses, now has become the "Brooklyn" of Shanghai which has two cotton mills and two large cigarette factories.

As the area of land suitable for manufacturing purposes in the foreign settlements in Shanghai is limited, the future extension of industrial enterprises will have to seek a new outlet. As Wusieh is too far to be considered as one of an urban towns of Shanghai, and Pootung, although it is only separated from Shanghai by the river, lacks modern communication and transportation, Woosung, with its harbor improved, and modern roads built, will be made an ideal urban town for future industrial extension.

The industrial history of both New York and London has proven that in spite of great industrial progress in urban towns, and in spite of higher wages, higher cost of factory sites, and more frequent occurence of labor strikes in these cities proper, industries of all kinds are still increasing and growing along all directions in both the urban towns and the cities themselves. Politically speaking, Shanghai is divided into three municipalities; namely, the International Settlement, the French Settlement, and the Chinese city. Economically speaking, it is one economic unit and industrial speaking, every section of this unit is closely related to the others. Prosperity of one section will bring prosperity to the other sections. Greater Industrial Shanghai will mean greater industrial prosperity of all these section and to the inhabitants as well.

The Historic Shanghai May 30, Affair and What has Happened Since in International Relations

(*Continued from page 34*)

Japanese and English. A consideration of the demands made as a result of the May 30 affair shows this clearly. The demands themselves fell into three divisions; those which were purely introductory or preliminary, of temporary importance only; those which had to do with the status of Shanghai and of the Chinese therein; and those which affected the treaty rights and position of foreigneres in China as a whole. The introduction of demands of an extraneous nature could not fail to complicate the issue, but inasmuch as the roots of the difficulty are deeply imbedded in the question of China's international relations, it is not surprising that they should have been made—nor are there lacking precedents of a similar nature on the side of the foreign powers in dealing with China in earlier days. The following demands were outlined at a meeting of the Shanghai Commercial and Labor Association, the Shanghai Streets Union, the National Chinese Students' Federation and the Shanghai Chinese Students' Union on June 7, 1925.

Preliminary Demands: 1. The Council should issue a proclamation forthwith for the cancellation of the state of emergency; 2. The landing parties from the different gunboats should be withdrawn forthwith, and the Volunteers and special police should be demobilized; 3. All persons arrested should be released forthwith and sent back to their homes; and 4. All schools, colleges and other places seized by the Council or sealed should be re-opened at once and returned to their rightful owners.

Formal Demands: 1. The officer who gave the order to fire, and the police who fired, and shot and killed the laborers and students must be handed over to the Chinese Government at once for detention, trial and punishment; 2. Suitable indemnity, must be paid by the Council to the families of the wounded, the laborers who have gone on strike, the merchants who have gone on strike, and the schools and other places seized and sealed by the subordinates and servants of the Council; 3. Formal apologies shall be tendered to the Chinese Government, the local officials, and those who have suffered; 4. The Secretary of the Council, Mr. E. S. Benbow Rowe, must be dismissed and replaced; 5. Chinese in the Settlement shall have absolute freedom of speech; 6. Better treatment shall be afforded to the laboring classes,

who shall have liberty to form unions and declare strikes, and who shall not be dismissed as a result of the present strike, and further, rules for the protection of laborers to be drawn up jointly by the Council and the Chinese Advisory Board, shall be observed by foreign and Chinese mill owners alike; 7. A Chinese Commissioner of Police must be appointed and all of his subordinates must be Chinese; 8. The proposed by-laws for the registration of the Press and stock Exchanges and the increase of wharfage dues, shall be cancelled forthwith; 9. The Council shall stop building roads into Chinese territory and the Council must not present any demands for the return of the existing roads, which shall be returned to the Chinese Government forthwith; 10. The Mixed Court shall be returned to China forthwith; in cases in which Chinese are the only parties concerned, only a Chinese magistrate shall sit and the assessors shall not be empowered to interfere in the judgments; Chinese criminals shall be indicted according to the Chinese Criminal Code or the Municipal By-laws, but not by both; all the affairs of the Court shall be administered entirely by Chinese, including the work of the Registrar and the prosecuting solicitor, and all officials of the Court must be appointed by the Chinese Government; 11. Chinese shall be eligible for election to the Shanghai Municipal Council, and foreigners in whose names Chinese land is registered shall not be permitted to stand for election; 12. Extraterritoriality must be abolished forthwith; and 13. British and Japanese gunboats must be withdrawn from Shanghai permanently.

Chinese Chamber Demands

The Chinese Chamber of Commerce a few days later submitted similar demands except that the one for the abolition of extraterritoriality was omitted. Extravagant as these were in part and impossible of immediate execution, they are, nevertheless, worthy of careful consideration as revealing the aspirations of many thoughtful Chinese. With the exception of the one referring to the abolition of extraterritoriality the demands were sponsored by the government in Peking in a note to the Powers dated June 24,1925. In another note of the same date China requested the Powers to take steps toward revising the treaties in force between herself and foreign nations. To this request the eight signatories of the Washington treaties replied in identic notes expressing sympathy with China's aspirations but pointing out that the treaties against which China was protesting had been concluded in an effort to improve the chaotic conditions which had distinguished China's earlier relations with foreign nations. All agreed to appoint delegates to the Tariff Conference and the Extraterritorial Commission provided for at Washington—a promise which has been kept.

Council Attitude Correct

The attitude taken from the beginning by the Municipal Council of the International Settlement was essentially correct. A readiness to support a full investigation of the incidents was evinced although it was quite properly made clear to the native and foreign diplomats in Peking and to the natives and foreigners in Shanghai that the Council had no intention to abdicate or delegate its authority to govern the International Settlement. On account of the heated atmosphere of Shanghai the center of negotiation was shifted to Peking. The Diplomatic Corps and the Peking Government early in June sent Commissions to collect information and to negotiate. However complete the surveys and correct the information received may have been, the Commissions' investigations were conducted in private and their reports were not officially made public.

IV

Various individuals and agencies in Shanghai had almost from the outset advocated the holding of a public judicial inquiry. As a result of the failure of the first attempt at investigation and negotiation, and the tardiness with which the powers carried out the plans for a judicial inquiry, confusion and bitterness characterized the summer months. It was not until mid-September that the Minister for the Netherlands' in his position as Senior Minister, notified the Wai-chiaopu of the decision of the foreign governments to hold a public judicial inquiry and invited the Chinese government to appoint a member of the Commission of Enquiry. Enclosed in the notification was the announcement that the American, British and Japanese governments respectively were designating "His Honor E. Finley Johnson. Associate Justice of the Supreme Court of the Philippine Islands, His Honor Sir Henry Cowper Gollan, C. B. E., K. C., Chief Justice of Hongkong, and His Honor Kisaburo Suga, Chief Justice of the Court of Appeal at Hiroshima, to be members of the said Commission."

The Chinese government replied that "with the lapse of time most of the requisite evidence are now unobtainable and have disappeared", and that the findings of the delegates of the Diplomatic Corps and of the Chinese Government should be utilized as a basis for immediate and direct negotiations. Although it did not formally refuse to appoint a member of the Judicial Commission none was appointed.

Investigation is Held

Through most of October, 1925, the Commission sat in the Town Hall—a municipal building within three minutes' walk of the three centers of disturbance of May 30, June 1, and June 2. On October 3, four days before the holding of the first public sitting, Shanghai native and foreign newspapers carried a notice explaining the object and scope of the investigation; those of all nationalities who might possess relevant information were requested to appear before the Commission and testify. Because of the stand taken by the Peking government and the Chinese organizations in Shanghai no Chinese witness dared appear before the Commission. Thus the three Judges were prevented from collecting complete information. Nor were the members of the Commission able to agree upon an unanimous decision as they had been officially requested to do if possible. Each reported directly to the senior member of the Diplomatic Body in Peking.

Justices Disagree

The situation in Shanghai being what it was on the afternoon of May 30, the Justices unanimously agreed that no blame was to be attached to the Police Inspector who gave the order to fire; otherwise the Louza Station with its arms and ammunition must have fallen before the attack of the mob with consequent losses to life and property on a considerable scale. Beyond this the Judges did not completely agree. Their lack of unanimity grew out of divergent interpretations of the terms of reference. These latter stated: "Now therefore, we, the Diplomatic representatives at Peking...do hereby request the American, British and Japanese representatives each to designate a Jurist to be a member of a Commission of inquiry... to investigate the origin and character of the disturbances...the reasons, if any, that existed for anticipating disorder; the precautions that were or might have been adopted to prevent the same; the measures taken to suppress it; and the circumstances in which certain persons lost their lives and other persons suffered injuries; to report their findings."

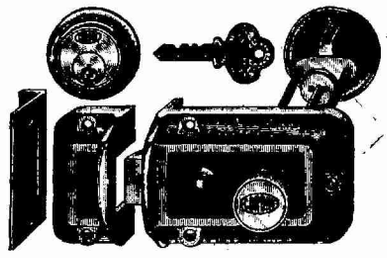
The report of Justice Suga was brief; those of Sir Henry Gollan and Justice Johnson were

CORBIN

Locks & Hardware

Security-Strength-Durability

Corbin Extruded Metal Master-keyed Padlocks can be obtained in sets of any number. Each one different with a masterkey to pass them all.



The Corbin Line includes Padlocks, Cabinet Locks, Drawer Locks, Chest Locks, Trunk Locks, and Suitcase Locks and trimmings.

The Corbin Lock Co.

Offices: Rob't. Dollar Building

Andersen, Meyer & Co., Ltd.

Distributors

SHANGHAI

39-110

longer. The British and Japanese Judges exonerated the police administration; the American Judge however, was not of so irenic a turn of mind. He differed with his colleagues in two essential particulars. By implication he criticised severely the fact that "no 'special precautions' were taken to prevent disturbances until 2.15 p.m. on May 30th, and nearly two hours after the notice given by the Commissioner of Police that 'special precautions' should be taken. The record shows that even as late as 3.25 p. m. (nine minutes before firing began) there were only about six foreigners actually on duty at Louza Station and a few Sikhs and Chinamen, the exact number not shown, outside of the firing squad." Under the heading Measures Taken To Suppress the Disorder of May 30th, Judge Johnson laconically notes: "No steps whatever, except to ring the fire bell, were taken to increase the number of police who were available for duty at that time." His conclusion was "After a reading and rereading of the evidence several times including the exhibits, I am fully persuaded that, with a much larger force of policemen on duty at the scene of the disturbances before 3.15 p.m. the necessity for the firing might have been avoided. I am equally persuaded that due to the absence of a larger number of policemen at 3.30 p.m., it was impossible."

Justice Johnson's Criticism

While concurring with Justices Suga and Gollan in exonerating personally the Police Inspector who gave the order to fire, Justice Johnson definitely criticised the Commissioner of Police, who "notwithstanding his full and complete information concerning the continuous condition existing in and about the city of Shanghai from December 9,1924, to the morning of May 30,1925, as well as the fact that students and others were planning to distribute anti-Japanese circulars and deliver anti-Japanese speeches, left the city at 12.15 p.m. on May 30th without giving notice to his deputy of the fact; and.....remained out of the city for a period of about three hours, and even upon his return he went directly to the race course without calling upon any of his subordinates for the purpose of informing himself concerning the existing condition.....His presence and his personal direction of his police force at Louza Station as late as 3.15 p.m. on May 30,1925, might have saved the lives of some innocent persons."

Send Check as Balm

Summaries of the reports of the Commissioners were not made public until December 23. Upon receiving a resumé of the three reports the Chairman Fessenden of the Municipal Council—an American—notified the Senior Consul that "notwithstanding that the findings of the majority of the Judges exonerate the police from blame," the Commissioner of Police and the Inspector involved (both British subjects) had tendered their resignations which had been accepted. The Chairman added, "The Council renews its expression of regret at the loss of life on May 30, and as a mark of sympathy with the wounded and the relatives of the killed, encloses a cheque for $ 75,000 for transmission to the Chinese Commissioner for Foreign Affairs for distribution among those concerned as a compassionate grant."

The Peking Ministry of Foreign Affairs at once notified the Commissioner for Foreign Affairs in Shanghai that its claims addressed to the Diplomatic Body for settlement would approximate $ 2,000,000. The cheque for $ 75,000 sent as a "compassionate grant" was accordingly refused; to date no agreement has been reached.

V

In the course of the Judicial Inquiry, described above, Justice Johnson remarked on the need for a reasonable limitation of the right of purchase of lands

"leading or being out of the Settlement" since if the right is unlimited there is no reason why the Council should not open a road from Shanghai to Peking! As far as is known no such limitation has as yet been agreed to. That there is justice in the claim of the Chinese to use the parks of the city was admitted by Mr. Chairman Fessenden in the Annual Ratepayers Meeting held in the Town Hall April 14, 1926. Here he remarked that the retiring Councillors were recommending the matter to the careful consideration of the incoming Councillors. The Councillors for the year 1926 invited the Chinese Chamber of Commerce to appoint a committee of its members to discuss with them the Park problem; unfortunately the Chamber of Commerce was suffering at the time from intestinal dissension and the matter was allowed to drag along for months. The *Municipal Gazette* recently reported that such a committee had been appointed and that the problem is receiving the attention which it deserves. It is understood that conferences have been held between foreign and Chinese officials or their representatives on the matter of road-building in the territories bordering the International Settlement. To date no solution has been announced.

Greater Shanghai

The decision of the Kiangsu provincial authorities to unify the Chinese city of Shanghai, Chapei, and the nearby native settlements into one Greater Shanghai, was practically contemporaneous with the decision of the City Fathers of the International Settlement to arrange for Chinese representation on the Municipal Council. There can be no doubt that the impetus in this direction came from the affair of May 30th although the idea of Chinese representation on the Council is an old one. It is unfortunate that its practical development should have been left to such a late date and then be fostered as the result, in part at least, of an international explosion.

Shortly before the Annual Ratepayers' Meeting it was announced that the Council would present for the consideration of the Land Renters a resolution authorizing the Council to "make forthwith representation to the Powers concerned with a view to securing the addition of three Chinese Members (to the Council) at an early date." As soon as the nature of the resolution became known a movement was set on foot to amend the proposed resolution so that the number of Chinese proposed should be omitted and the principle of representation of Chinese on a taxation basis replace it. When the resolution was formally proposed by the Chairman of the Council at the Annual Ratepayers' Meeting the amendment proposed failed decisively and the resolution as submittd was approved all but unanimously. There is little doubt that if a government, representative of China, is ever reestablished in Peking the resolution will be quickly carried into effect; in the meantime the good will of the City government of Shanghai to the Chinese residents has been clearly, if belatedly, evinced.

Marshal Sun and "The Model City"

Contemporaneously with this development is that fostered by Marshal Sun Chuan-fang to, as he himself states it "convert the area outside the foreign settlements into a model city, the result of which should form the basis for the abolishing of foreign concessions". Adds the Marshal, "This has been one of my dearest dreams, for whenever I come to a treaty port I feel thoroughly humiliated, not only because a treaty port is a standing reminder of our loss of sovereignty, but also because whenever we pass from the concession into Chinese territory we feel that we are crossing into a different world—the former is the upper and the latter is the underworld, for nothing in the Chinese territory—roads, or public health—can be compared with the Concessions. This is the greatest of our national humiliations, much greater in my opinion than the loss of sovereignty. In recent years the people of China have gradually acquired a national consciousness and with one voice have demanded the rendition of Concessions and the abolition of unequal treaties, but 'empty-mouthed' demands are useless. If we want to have the Concessions abolished we must make the necessary preparations, otherwise, even if the Powers handed over the Concessions to us at once, we should find ourselves utterly unprepared to receive them. One of the objects of establishing the Directorate of the Port of Shanghai and Woosung is to try to accomplish some real results to show our foreign friends and to start our general preparation for the eventual return of the Concessions."

Sun Inaugurate's Government

And so in May 1926 Marshal Sun came to Shanghai, accompanied by Dr. V. K. Ting, to inaugurate the government of the Commercial Port of Shanghai and Woosung. The Director General is Marshal Sun himself, but the administration is in the hands of the Co-Director, Dr. Ting who is assisted by the six bureaus of General Affairs, Finance, Public Safety, Civil Affairs, Foreign Affairs, and Public Works. There is also to be an Advisory Council of nine to aid the Co-Director—"so that the local people may be kept informed of the affairs of the Directorate and whose opinions the latter will consult."

It is apparent that this Advisory Council is to be merely a channel through which the opinions of "the people" and the Directorate may be exchanged. As the writer has elsewhere remarked, "For those who are critical of the proposal to admit three Chinese as full voting members to the Council of the International Settlement of Shanghai it should be especially interesting to note that the Council of the Directorate of the Port of Shanghai and Woosung is to be a purely advisory Council whose opinions are merely to be consulted by the executive body of the special area." It is significant that the republican principle of representation of the people finds no recognition by the *de facto* ruler of East China. This fact tends to cut the ground from under those who have in recent months so vociferously demanded representation on the Municipal Council of the International Concession of Shanghai. It is, of course, too soon to attempt an evaluation of the worth of the new government of Greater Shanghai, but one can say with satisfaction that real progress is clearly being made.

The Mixed Court

Demand number 10 listed above required the restoration to Chinese authorities of the Mixed Court of Shanghai. This Court was established in 1863, and has had a checkered history—particularly since the outbreak of the Revolution of 1911 when it was placed exclusively under foreign control. For the past fifteen years complaints have been almost constant from both foreigners and Chinese. Happily it appears that this troublesome problem will be settled at no distant day since a Provisional Agreement for the Rendition of the Shanghai Mixed Court has recently been signed by all the consular officers of the nations concerned. Into the history of the Mixed Court and the details of the Agreement (which document appeared in a recent issue of the *Review*) it is not necessary to enter here.

In conclusion one may say that out of much evil and misunderstanding considerable good has come. The May 30th Affair was certainly a most unfortunate, and probably an unnecessary one, but as a result of the storm the air has been largely cleared. Many problems which had appeared in the course of years and which without such an outbreak would probably have taken years longer to solve either have been solved in part or bid fair to be solved within the near future.

Great Progress is Evident in Construction Methods in Shanghai Machinery Replacing Man-Power

(*Continued from page 23*)

by masonry work built around them. Beams and girders are usually protected by the use of expanded metal lath and cement plaster. This metal lath or similar steel fabric is wrapped round the steel members so that when the plastering is applied it will be fully covered and protected.

Up to the present time, with a few exceptions, all structural steel for the framework of large buildings has been completely fabricated in the homelands and assembled in position at the site after delivery to Shanghai. This whole process is indeed most revolutionary as compared with the old type of buildings consisting entirely of wood and masonry. For certain types of work there will undoubtedly be a constant demand for structural steel in Shanghai. As it becomes necessary to build higher and higher buildings, we can expect to see steel framework used more generally than at present. It is a type of construction that has come to stay in modern Shanghai.

Masonry

One would have to search the world far and wide to find a poorer burned brick than what is known on the Shanghai market as Chinese common brick. Until very recently this was the only local brick available. Owing to the heavy weight, it has been most impractical to import brick from abroad. This undoubtedly accounts for the fact that there are very few buildidings in Shanghai that can be said to have modern brick work. In the old days the walls were made thick enough to bear their own weight and that of the floor loads coming upon them. The low quality of brick seriously limited the height to which the walls could be built. Although the native brick is of such poor quality, it has been made to serve its purpose very well to keep out wind and weather. In the case of modern high buildings with reinforced concrete or structural steel framework, the bearing value of brick is not an important factor of itself, as the walls are carried by the frame work of the building. Obviously, the old Chinese brick is of too poor quality to use for the exterior walls, of a modern building that is constructed to last a half century or more.

Demand for Better Brick

As building work in general has improved there has been a demand for better brick. This demand has been met fairly well by local brick making factories that have had their product on the market for several years. Local factories have succeeded in producing a fairly good quality of brick suitable for ordinary or common brick work. Until very recently, however, no brick of the hard burned face brick type so common in America has appeared on the market in Shanghai from local kilns. Brick suitable for good quality face brick work are manufactured in north China, but the cost delivered in Shanghai restricts their use here. The new American Club on Foochow Road offers the best example of modern face brick work in Shanghai. The face brick for this building were imported from San Francisco. The new Foreign Y.M.C.A. building will be finished with face brick of a very good quality manufactured locally. The range of textures in face brick made in Shanghai is not yet equal to that offered by home brick factories; but this condition will doubtless be improved as the demand for this type of material increases. It is important to observe that as better brick are used it has also become the custom to use a higher class mortar in setting them. Until very recent years all mortar used in brick work was made of lime and sand. At the present time a very large percentage of brick work in important buildings is laid in cement mortar. With sound hard burned pressed brick made from good clay, and properly mixed cement mortar, a wall is produced that is practically everlasting. This is an important change in construction practice in Shanghai, for the use of modern face brick will tend to give an interesting variety to future buildings and will at the same time add to their appearance and permanence.

Masonry work has been further improved in Shanghai in recent years by the use of hollow tile. A considerable variety of this product is available. Hollow tile can be used to replace the old Chinese brick. It is better burned, lighter in weight, and offers greater resistance to fire and dampness. In most of the recent buildings in Shanghai hollow tile have been used extensively, if not exclusively, for the backing of exterior walls and for interior partitions. The total weight of the building when hollowtile is used is materially less than if the same wall spaces were made of solid brick.

Floors

For office buildings and other structures of a public or semi-public nature the tendency now is to install hard surface floor finishes. With the use of concrete and steel for the structural part of the floor it is possible to have almost any floor finish that the owner may desire. Materials can be imported from abroad for this purpose and at the present time this is the practice to a very liberal extent. In the early days wood floors were almost universal. Of course in some cases for the ground floor heavy tile or brick were used. Such materials were supported by a base of lime concrete beneath to prevent settling.

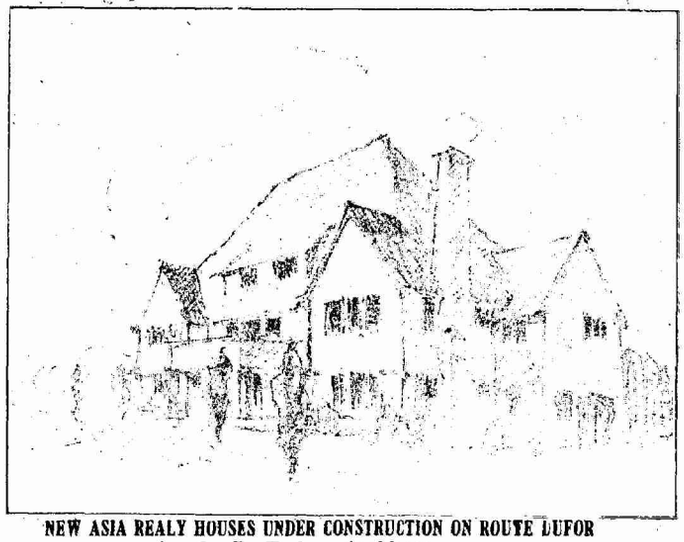
The modern materials that are most commonly used for floor finishes are terrazzo, marble, vitreous mosaic, quarry tile, plain cement, etc. for hard wearing surfaces. Linoleum and plastic floor surfacing materials are also appearing on the market and are being used to a limited extent. For offices and residences most owners still prefer a wood finished floor. The owner now has a large range of choice in selecting the type of wood he would have for his floors. The early buildings were floored mostly with what is known as Singapore Redwood, or in some cases with teak. At the present time in addition to these woods, oak, imported maple, and many varieties from the Philippines are available. Several concerns in Shanghai are equipped with machines that turn out first class flooring materials, tongue grooved and end matched as desired. Finishing machines are also available for the polishing of floors. With careful supervision it is now possible for architects to meet the most critical demands of the owner in the matter of floor finishes of the hard surface long wearing type, of composition materials, or of wood.

Roofs

A bird's eye view of Shanghai would reveal the fact that the materials used for roofing the early buildings were limited to two kinds, namely, tile and galvanized iron. These materials are of necessity used on sloping or pitched roofs. Many of the old buildings were covered with Chinese tile. Later on tile of foreign manufacture were introduced and have been used extensively.

Fortunately the corrugated iron roof is passing away. It has served its purpose, and well. This material will continue to be used for certain classes of

COMFORTABLE HOMES——



NEW ASIA REALY HOUSES UNDER CONSTRUCTION ON ROUTE DUFOR
——L. E. Hudec, Architect——

In Shanghai's choicest residential districts, with pleasant surroundings free from undesirable encroachments. Ease of access to main thoroughfares, together with all modern appointments comb'ne in these homes city conveniences with suburban comforts.

OWN A HOME!

ASIA REALTY COMPANY
FED. INC. U. S. A.
亞 細 地 產 公 司
TEL. C-8222
15 NANKING ROAD
SHANGHAI
——*REAL PROPERTY FOR EVERY PURPOSE*——

buildings, particularly in the interior. It is a cheap and durable material and from the standpoint of cost can compete with any type of material of equal life.

There are now many kinds of modern roofing materials on the market. The built up roofing consisting of multiple layers of felt and asphalt is perhaps the most common type for flat roof buildings. Asbestos shingles and other hard manufactured materials are now available. There is plenty of slate available in China but the slate deposits are situated in regions that have been overrun with fighting armies for the past three or four years. This material is nature's own product and cannot be excelled for pitched roofs. It is used quite commonly in North China close to the slate deposits.

Many of the flat roofs in modern Shanghai are used as roof gardens. This calls for a wearing surface over the prepared roofing. Usually quarry tile, terrazzo or cement tile are the materials used. The Hongkong & Shanghai Bank building has an interesting roof covering for the dome. Many people are not aware that the exterior surface of the dome is covered with fine vitreous mosaic.

Shanghai has apparently kept pace with the modern world in the matter of the use of roofing materials that have been developed in other parts of the world.

Plastering

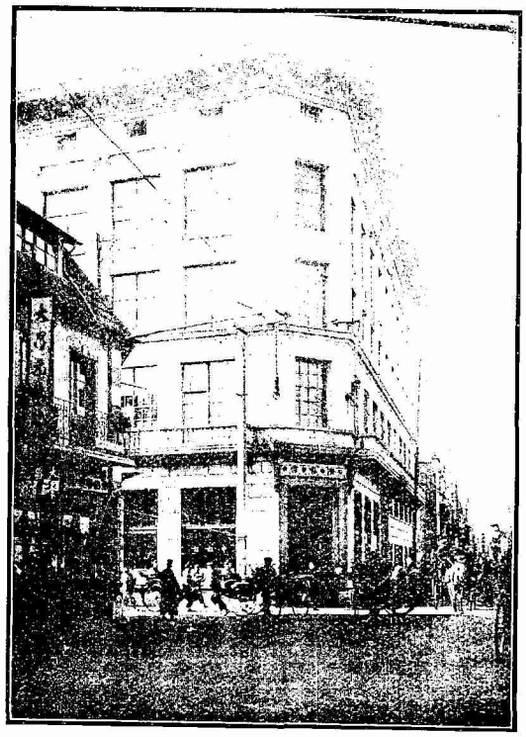
Plastering may be considered a rather common and prosaic subject. Yet it is an item which receives considerable attention from architects. Most Shanghai residents who have lived in rented houses have had the experience of finding the houses they occupied plastered with what has the appearance of common garden mud and water covered with a thin coat of lime paste. If the surface of this type of plaster is broken or pricked in any way the body of the plastering simply runs out like fine sand. This statement may be slightly exaggerated, but it indicates in a general way what happens in plastering work unless the contractor is severely supervised. Shanghai mud, particularly Garden Bridge mud, is such an extremely fine silt that by adding water it forms a pasty substance that can be used as plaster. Of course lime is always supposed to be added. But plastering contractors have the habit of being very forgetful about this item. However, the careful architect pays particular attention to plastering work.

Use of Native Material

Very excellent results can be secured with the use of native materials only,-namely, lime and sand with rice straw or hair for binding material. During the last few years considerable quantities of plastering materials have been imported. This is particularly true of binding materials. In some cases ready mixed plaster has been used and found very satisfactory. Quick drying gypsum plasters have also come into use and now the careful owner can have clear white hard finish gypsum plaster on his walls if he desires.

Ornamental plastering work has also received a great deal of attention during recent years. Several firms have built up a splendid business in developing high class artisans for handling this kind of work. It is not necessary to go into the technical details of the processes involved. Suffice it to say that the art of handling ornamental plaster materials has been developed to such an extent that, practically speaking, there is now no limit to the designs that can be executed. One has only to step into any recently completed important building to realize the truth of this statement.

Fifty Years' Prestige Behind the Shun Pao



"I have never seen anything as surprising as a newspaper plant like that of The Shun Pao in China." Lord Northcliffe

The Shun Pao is the Oldest Existing Daily News in China. This fact alone has earned for The Shun Pao a continuous popularity for the past fifty years.

The impression of fifty years' prestige is deeply implanted in mind of The Shun Pao readers. The Shun Pao is growing as the prestige is increasing year by year.

National and local advertisers have forged ahead their prosperity by sharing The Shun Pao prestige.

For more than fifty years The Shun Pao has served as the best medium to sell international merchandises.

Among the advertisers in the Shun Pao are:

Agfa
American-Asiatic Underwriters
American Drug Company
American Trading Company
Andersen, Meyer & Co., Ltd
Arbuthnot & Company
Ardath Tobacco Company
Arkell & Douglas, Inc.
Arts & Crafts
Asia Life Insuaance Co.
Asia Development Company
Antoine Chiris
Ault & Wiborg China Co.
American-Oriental Banking Corp
Barber Steamship Lines
Bliss, Fabyan & Company
Brewer & Co , Inc.
British-American Tobacco Co.
Bruner, Mond & Co
Buchheister & Company
Burkill & Son
Butterfield & Swire
Caldbeck, Macgregor & Co.
China Mutual Life Insurance Co.
China Soap & Candle Co., Ltd.
Compagnie Oriental de Capt.
Connell Brothers Company.
Dodge & Seymour, Ltd.
Dodwell & Co., Ltd.
Dunlop Rubber Co , Ltd.
Du Pont de Nemours & Co , Ltd
Dick Davis Company
Ekman Foreign Agencies, Ltd.
Far Eastern Trading Co , Inc.
Fobes Company
Foster-McClellan Campany
Gande, Price, Ltd.
Gastun & Co , Inc.
George McBain
Getz Brothers & Co.
George F. Taylor & Co.
Goodyear Tire & Rubber Export Co
Goodrich Rubber Tyre Co.
Han Yung Company
Harriman National Bank
Honigsberg & Co , Inc.
Hugo Stinnes China Co.
I. C. S.
International General Elec. Co.
International Savings Society
Jardine, Matheson & Co., Ltd.
Java- hina-Japan Lijn
Joint Savings Society
Kearny Company
Kiangsu Chemical Works
Koster Cmpany
Lambooy & Co.
Lang & Co
Lever Brothers, Ltd.
L'Epargne Franco-Chinoise
Mactavish & Co., Ltd.
Maitland & Co , Ltd.
Mark L. Moody, Inc.
Melchers & Company
L Moore & Co.
Murphy & Dana
New Engineering & Shipbuilding
Pacific Development Corp
Pathe-Orient
Philips China Company
Phoenix Insurance Co
Price's China Co.
Probst, Hanbury & Co.
Radio Corporation of America
Raven Trust Co.
Remington Arms Company
Rio Chemical Co.
Robert, Dollar Company
S'hai Horse Bazaar & Motor Co , Ltd.
Siber Hegner & Co.
Siemens China Company
Sine Co., Ltd.
S. A. de Produits Textiles
Sino-Scandinavian Bank
C. E. Sparke
Soter Tobacco Corp.
Standard Oil Co of N. Y.
Stillwell Laboratories
Sullivan Manufacturing Co.
Talow Dispensery
Telge & Schroeter
Texas Company
Uuiversal Winding Co.
U. S. Shipping Board
Vacunm Oil Company
Waite, McClave & Co.
Walk-Over Shoe Store
World Wide News Association

申報

On April 30, 1872, this first page of the SHUN PAO was printed

24 Hankow Road. . . . . Shanghai China

39-114

Tile and Mosaic

The demand for the right kind of materials to fit specific uses is becoming more and more apparent. This is particularly true of hospitals, educational institutions, Y. M. C. A. buildings, etc. It is quite noticeable in buildings of this class as well as some others that glazed tile and vitreous mosaic are now being used generously. Hard smooth sanitary surfaces are required by the housewife, the hospital superintendent, school administrator and others who are responsible for the operation of modern institutions. Even rubber tile are being used where specially needed. What a pleasure it is to walk through the corridors of the Country Hospital and feel the pleasant, noiseless reaction of one's boot heels upon the splendid rubber covered floors!

Vitreous mosaics are being used extensively for bathrooms, lavatories and particularly for the lining of swimming pools. This material has practically all been imported from Europe and America. At present, however, a good quality of vitreous mosaics is being manufactured by a local concern. The white mosaics especially seem to be of good quality. The colored mosaics do not grade so high.

Water Proofing

Modern buildings require many special features and processes that were unknown and unnecessary in our forefathers' time. Water proofing is one of these. The ground water level is high in Shanghai, being only some three or four feet from the surface, it is often found necessary to go below this line, particularly for boiler rooms and other parts of the building where special features of equipment are required. As dry areas are necessary for boilers and machinery it has been necessary for the engineer to devise means to keep these spaces below the water line dry. There are two methods generally in use. One is to depend upon integral water proofing in concrete floors and walls of the spaces that are below the water level. This method has been used very satisfactorily. Its success depends largely upon very intensive supervision during the placing of the concrete. Another method is to protect the areas concerned by the use of several layers of roofing felt and asphalt. Methods have to be devised to hold this in place. Often both the integral and membrane systems are used in combination in order to make doubly sure that important and expensive machinery shall not be flooded or damaged by excess moisture.

Methods of Water Proofing Walls

High buildings are more exposed to driving rains than low ones. A combination of high wind with rain is not uncommon in Shanghai. Walls of buildings must be treated in some manner so as to prevent their becoming wet through during prolonged wet seasons so often experienced in Shanghai. It is safe to say that every citizen of Shanghai who has lived through at least one season has had some experience with damp or water soaked walls. Hard brick walls laid in cement mortar will not soak through so easily as the old porous Chinese brick laid in lime mortar or some mortar of still poorer quality. The best solution to insure a dry wall is to use a cavity wall of some sort. This can be secured by a cavity within the masonry wall itself or by furring out on the inside of solid masonry walls. Other methods are to damp proof the solid masonry walls on the outside, and also on the inside before the plastering is applied. Various materials under trade names are available for these processes and architects are making use of them as required to meet changing conditions in building.

Painting and Decorating

One doesn't usually think of this subject as coming under construction methods. However it is a most important subject for any modern builder. Perhaps the owner's satisfaction will be in proportion to the degree of success or failure of the architect in this phase of his work. The most common of materials used in ancient Shanghai for painting and decorating were Ningpo varnish for woodwork and floors, and distemper for walls. Nowadays there are many painting and decorating contractors who can meet exacting tastes in this interesting field. The variety of materials at hand or available upon order is practically unlimited.

Steel Sash and Glazing

There is practically no modern building of any importance now erected in Shanghai but uses steel sash for all exterior windows and doors. The cost for the heaviest materials is considerably greater than would be the cost of wooden sash. However, where the type of sash required permits the use of standard materials, the cost is surprisingly near that of good grade wooden sash. Some of those promoting the sale of this commodity are doing the assembling of the sash members locally. This makes it possible to reduce the freight cost materially and when careful work is done in assembling, the result compares quite favorably with the sash assembled completely in the home factory. Undoubtedly the greater part of the steel sash used in and about Shanghai is assembled at home and shipped ready to install. The type of sash known as Cottage Sash is very popular and is being used in large buildings of the hotel and apartment house type as well as for many residences.

Attempts have been made by one or two Chinese companies to purchase uncut steel sections from home in quantities and to cut and assemble them in Shanghai. Up to the present this method is not proving satisfactory where high class work is required. Undoubtedly this cheaper quality of steel sash will meet a certain demand, however.

In the matter of glazing there is not much to be said except that if the architect or owner thinks ahead he need have no difficulty in securing the very best of glazing materials that the world affords. Factories in China are forging ahead and within the last two or three years very good quality plain window glass in various thicknesses has been produced. The very high grade glass, however, must be ordered from abroad.

Carpentry and Joinery

As with painting and decorating, the owner's satisfaction depends much on the grade of finishing work that the architect and contractor secures. Varying tastes as regards finish, quality and cost are more easily met now than in former years owing to the fact that a much greater variety of woods is available. Practically all woods for finishing work are imported either from America, the Philippines Singapore or Borneo. Perhaps the most popular wood for finishing work is Luan, sometimes called Tanguile. It is of even grain, takes a fine polish and works nicely. There are many other beautiful woods which can now be secured. The question of cost and availability enters in, however. It is not possible for lumber companies to keep large stocks of all kinds of woods. However, special woods can be secured in almost any quantity when ordered far enough in advance.

To meet the severe climate conditions in Shanghai it has been found necessary to develop kiln drying to a high degree. Practically no kiln drying on a modern

commercial scale was done in Shanghai previous to 1915. A few small hot air kilns were in operation in a small way before that time. But in this type of kiln the wood could not be scientifically handled and the results were not always satisfactory. Either the wood would be under dried or dried too much, case hardened or otherwise impaired. It is now common practice to specify kiln dried wood for all interior finishing work. The leading lumber dealers in Shanghai carry stock sufficient to meet the current demands in the more commonly used woods. The advent of the kiln drying process in Shanghai is one of the most interesting changes in the handling of materials that has taken place in recent years. Only those who are intimately connected with the process can appreciate what good kiln drying means.

Extensive Use of Ply Wood

Ply wood is now extensively used in Shanghai. The material on the market comes mostly from northern Europe and the Philippines. This material is used extensively for panels and doors, wainscoting and cabinet work. Ply wood makes it easy for the architect and builder to get good results in wood finishing work.

As the demand for good finishing work increases there will undoubtedly be a greater demand for the output of sash and door factories. Already there is one concern doing very creditable work along this line. It is certainly pleasing to the eye of the careful observer to see doors made without tenons sticking out and wedges coming loose. There is room for improvement along this line. Undoubtedly the demand for factory made finishing materials will increase as the years go by. At the present time it seems that a need for this improved method has not forced itself upon the Shanghai mind, as convincingly as should be the case.

Hardware

The hardware of a building is one of the mos important items in it and yet it is one that often receives the least attention. The finishing hardware—that is door locks, window fasteners etc. etc.—are in constant use by the occupant of the building. He comes in personal contact with them. The finishing hardware should therefore have careful and scrutinizing attention. Usually the owner neglects to take this fact into account and puts off the ordering of hardware until it is too late to get a properly graded quality of hardware from home. Consequently he is forced to pick up what he can get in the local market from stocks available. This is a habit that is to be deplored. Fortunately the tendency is for the better in this respect, as the modern buildings that have been erected recently in Shanghai show. The owner is often tempted to save money on hardware by using a cheaper or inferior quality of goods. This is a mistake. The owner can well afford to be even a little extravagant in the matter of finishing hardware. The total cost of all finishing hardware is really a very low percentage of the total cost of the building. It varies from ¾ of one percent to 2 or 2½ percent, depending upon the quality of material used. Fortunately the representatives of well known makers of high grade hardware are constantly in Shanghai and can serve the architect and owner well in the selection of proper schedules for this equipment.

Elevators

Elevators or lifts are no longer an unusual item of equipment. In the old days they were rare, and when installed were slow creeping things which seemed to wander aimlessly to the upper regions, sometimes actually arriving at the top floor. A survey of the elevators of recently designed buildings will give one the impression that Shanghai is speeding up. Elevators traveling at the rate of 50 feet per minute probably met the demand of the gay nineties. As buildings have increased in height the demand for greater speed has arisen. It is now not uncommon to have the privilege of using elevators that travel at the rate of 250 to 300 feet per minute. The matter of safety devices, micro-drive, door openers, signalling systems etc. are all refinements that have appeared with the progress of the times. This change in the equipment of modern buildings is a very convenient one.

Refrigeration

Refrigeration plants and equipment have been in use in Shanghai and elsewhere in China for several years in connection with egg factories, plants handling meat and game products, and similar large commercial processes. It is only in very recent years, however that it has been considered necessary to have refrigeration equipment installed in other buildings. Naturally it was the hotels and clubs which were the first to adopt refrigeration systems. The demand for this equipment is such in Shanghai and other places in China at the present time as to entice several expert refrigeration engineers to locate here. Most of the dairies of Shanghai have small refrigeration units. Commercial cold storage plants are also operating successfully.

There are now several types of small refrigeration units suitable for homes, apartments, restaurants, soda fountains etc. These are becoming very popular and scores of them have been installed in the last two or three years in Shanghai. It would appear that these small refrigeration units will become household necessities in the very near future, if they are not already considered so. Perhaps no other modern equipment has ever met with such a hearty and spontaneous reception. Its wide use will undoubtedly add greatly to the comfort and happiness of people living in China.

Ventilation

Owing to the expense involved in installing modern mechanical ventilation systems these have not been very generally used in Shanghai. The Hongkong & Shanghai Bank building undoubtedly has the most complete system in operation here. In connection with this a huge refrigeration plant is used for cooling the air which is forced through the ducts leading to the various spaces in the building. Doubtless mechanical ventilation will be made use of increasingly in the future, although its adoption generally will hardly be so rapid as that of less expensive equipment.

Heating and Plumbing

There has been a gradual but marked advance in the quality and quantity of heating and plumbing equipment used in modern buildings. Everyone is familiar with the prevalent belief that it is never possible to get good work done on heating and plumbing lines. This difficulty is increased in China on account of the labor employed. It is a nearly impossible feat to teach Chinese plumbers and fitters to have a real appreciation of exactness required to produce real first class installation. A bent pipe somehow looks straight to the Chinese plumbing fitter. If the whole fitting is out of line an inch or so it is a small matter in a Chinese plumber's life. This field seems to be very attractive to Chinese companies. They certainly have entered it with a vengeance. They tend to keep the quality of work

down to a low level. The competition is severe and price cutting is common. To meet this situation, inferior local materials are installed wherever possible.

Insist Upon the Best

The owner cannot be too particular in insisting that specifications are definite as regards his materials and the functioning of his equipment, and he should be equally certain that his supervisor, who looks after the installation as it goes in, knows what he is about. The volume of heating and plumbing business done in Shanghai really calls for high grade engineering. Unfortunately the owners are too few who appreciate real engineering service along this line and are willing to pay for it. The proper functioning of the many items of mechanical equipment which go to make up heating and plumbing installation in a modern building is no simple matter. Unless it is laid out by a real engineer who knows what he is about, grief is sure to follow. The tendency to cut prices and put in inferior materials is lamentable. In America, where sky scraper construction is common, the idea now prevails that heating and plumbing equipment should last as long as the building. This means that in first class work steel and wrought iron piping is being eliminated and brass piping used instead. This runs up the first cost tremendously. The life of the installation and the satisfaction of tenants is insured, however, by this change to high grade materials.

In the designing of heating equipment, more attention should be paid to the quality of fuel that is available. The owner should insist that his boiler be selected or designed to suit the quality of fuel that can be secured steadily, in Shanghai. The use of fuel oil is being slowly introduced and it seems probable that its use will increase. The cleanness of oil for fuel, the fact that the quantity used can be more readily controlled and that "squeeze" can be more easily eliminated will tend to make the use of oil more and more common in the years to come. At the present time it would appear that the cost would be somewhat in excess of coal provided the latter is efficiently handled without waste.

Electrical Work

Electrical engineering and reliable concerns to do installation work in Shanghai have kept well apace with the march of progress. It is natural to expect that expensive permanent buildings would be equipped with high grade electrical installation work. Unfortunately there is on the market a vast quantity of inferior materials. The demand from Chinese small shop users is so great that the market is constantly flooded with materials of very poor quality. The careful owner will look well to see that he has none of this shoddy material installed in his new building. Galvanized conduit work is being commonly adopted for high class work. The owner can well afford, to insist on the very best grade of insulating conductors. This is not often done. even with the best concerns, If the owner expects a building to last for 50 years he should insist that the electrical installation be such that the greater part of it will last equally long without complete renewal or overhauling.

The wide use of electricity for all sorts of purposes in the home and office is so well known and appreciated as to need no mention here. Standard methods used in the homelands are being employed here. There are no outstanding changes that have come to the writer's attention in the last few years except perhaps the increasing demand for high grade work and materials for the better class of buildings.

The above outline of building practice and progress in Shanghai is not intended to be comprehensive and conclusive. It should, however prove suggestive. There are many features of a general nature that it is impossible to even mention. The growth of Shanghai has been so rapid that obviously the changes that have taken place have been literally without number. The types of buildings, the needs to be met. etc, are constantly increasing. Although Shanghai seems a far away place to people of the western world, nevertheless we who live here have reason to be proud of the splendid progress that is being made. While it is to be supposed that Shanghai will lag behind Western cities, there is no reason for the Shanghai citizen to feel ashamed of his city.

Only the future will reveal the problems that will have to be solved to meet the demands of a growing city. In many ways Shanghai is still in its infancy. The transportation and traffic problem is intensely acute even now. How is this problem to be solved? Will it be practical to install subways in Shanghai? Will there be a Tube under the Whangpoo or will the river be bridged so that Pootung can be developed as the Bund side of the river has been developed? Is there any limit to the height of buildings in Shanghai? These and other questions are being asked by engineers today. The answers do not appear offhand. Undoubtedly tremendous surprises will be the portion of those who leave Shanghai now and return after a period of twenty-five or thirty years.

Interest in Motion Pictures in China Not Far Behind West

(Continued from page 12)

the end of the year, thus making a total of about fifty-seven pictures for the current year. Surely, this may be considered as progress.

In comparison with foreign pictures, it is generally conceded that the Chinese product is inferior in quality. Lack of capital, scarcity of technicians, inexperience of actors, need of organization, limitation of markets, are some of the very serious handicaps of the Chinese producers. Yet their product is well received by the Chinese public. In a theatre, situated in one of the more remote provinces, all kinds of foreign pictures, from the blood and thunder serials to the super-special productions, were tried out. Chinese photoplays were also presented. An examination of the theatre's box office records shows conlusively that the latter took in more money than any of the former. This goes to prove that the Chinese masses prefer their own production, in spite of their inferior quality. This preference is not actuated by patriotic reasons, but is the result of entertaining value. Except to a comparatively small minority who understand the English language and thus able to read the foreign titles, the imported picture, no matter how great a production it may be, can mean but little. On the other hand, a Chinese picture, depicting scenes, actions and people which the masses are familar, can easily be understood. Is it any wonder therefore, that Chinese productions command wider appeal and entertainment value among the great majority?

It would appear that there may be a total displacement of the foreign film by the native product. It is not believed such would be the case. The greater the attendance at Chinese picture shows, the greater will be the percentage of movie fans who would be educated to appreciate the better made and more finished foreign product. Chinese production will stimulate an interest in all motion pictures among an ever widening circle of fans. With increased interest, among a greater and greater number of people, will come the constant demand for the best product of the West,

Shanghai—"The Paris of Asia" is a Haven of Pleasure For Thousands of Tourists

(*Continued from page 37*)

shop," and last, but not least, the famous old Willow Ware tea house, are, individually and collectively, sufficient to make up for what has failed to materialize in the way of first anticipations.

And then comes the visit to the old temples in "The City." Here the tourist imagination runs riot, and it would be an easy matter to sell the idea that Confucius himself was the architect and builder of any one of the old structures. The story of "The Day Jossman and the Night Jossman" in the old Bhuddist temple, or of the sixty images-"one piecee for every year how old you are," is followed and swallowed with relish. A stroll through the quaint old rock gardens, with their setting of dragon roofed houses, splendid subjects of the Chinese architect's skill, is the final "knock-out" of the trip to the city. Unless, perchance, the thoughtful guide has arranged for a demonstration in force by the beggar's guild, or, even more thrilling, that a leper (of the non-contagious made-to order variety) shall exhibit his affliction, either of which makes a fitting finish to the day's sightseeing.

Shanghai Shopping Lure

The casual visitors to Shanghai find great enjoyment in roaming about the shopping district, and bargaining at the various shops, of which, the silk stores seem to have the first call, particularly for the gentler sex, although "Father" frequently may gratify his desire for a life-time supply of silk shirts. Mother and the girls, however, soon learn where are to be found the latest creations of lingerie, or, to use the American term, "silk undies," and are not slow in finding their way to the establishments on Bubbling Well and Yates Roads. Often it seems that every woman landing in Shanghai has heard of "The Convents," and is intent on viewing the exhibits of fine linen. Mandarin coats also have been the subject of special study, and many a long-felt want has been filled with a coat of gorgeous silk, particularly featuring floral embroidery and done with the Peking stitch.

Automobile drives about the city or through the outlying districts always are enjoyed by the visitors, who are impressed with the street scenes of the busy and congested downtown sections, and greatly interested in the attractive drives through the countryside, particularly in the spring coloring of the rice paddies, and the countless mounds of graves.

Now, that we have hastily reviewed most of the attractions and features of Shanghai, somewhat similarly as from the top of a "rubberneck wagon," let's get down to business and try to analyze the one real attraction, the single greatest pleasure which the tourist has received or experienced during his visit here. What is it that will stand out pre-eminently in their later recollections of Shanghai? After the steamer has sailed, and they have had time to wonder what it's all about, what is the headline feature that seems to overshadow all other memories of Shanghai? Is it the impressions of the crowded downtown sections, or the shops filled with silks, satins, laces, linens or curios? Is it the drive through the lovely green countryside? None of these, nor yet it is not even "The Native City."

WILLARD BATTERY

Service———

Our new constant potential generator charges storage batteries in eight hours.

A motor truck will call for and deliver your radio or motor car battery quicker than any other service in Shanghai.

Electric Service Corportation

Fed. Inc., U.S.A.

12A Nanking Rd. Tel. C. 6514

SHANGHAI

Credit Foncier D'Extreme-Orient,

Head Offices:

BRUSSELS, Belgium

Branch Offices:

Shanghai, Peking,
Tientsin, Hongkong,
Hankow, Tsinanfu,

MORTGAGES, PROPERTY MANAGEMENT, REAL ESTATE, FIRE INSURANCE, ARCHITECTURE, BRICKS & TILES,

Shanghai After Dark

Only one more guess remains:—Was it the gay, glittering, glaring, glorious, dancing, singing, playing, rollicking and boisterious NIGHT LIFE? A-t-t-a B-o-y!! That's it. After the steamer has sailed down the river, the gentle breezes have overheard many a confession somewhat like this:

"Dear old Shanghai! Don't you love it! Oh, we had the most wonderful time there! We stayed up 'til three o'clock in the morning and we didn't want to quit then. We had a grand dinner and danced till one o'clock, and then we got into some automobiles and went to another place and had a few cool drinks and a few dances there, and then into the cars again to another place for some more drinks and dances. And then we had some wonderful ham and eggs, and coffee or beer, and then Father said we must go home and rest, because we had to go out again the next night and the same thing over again."

Sounds natural, doesn't it? You know the kind they mean, don't you? Yes, indeed, you don't have to entertain your tourists in Shanghai,—just turn 'em loose and let Nature take its course. In Shanghai, Nature is a grand old guide. Nature is life, Nature loves life, yea, Boy! Nature loves her NIGHT LIFE, too. The one-great, impelling cause or reason for a trip around the world, is "to study life." That's what they say. And, later, when you hear them telling about it, a sort of a sneaky suspicion comes creeping in that, no matter how hard they studied the common. every-day life in the rest of the world, they certainly "crammed" their study of NIGHT-LIFE in Shanghai.

It may be true that Shanghai pays little heed to, nor gives much time or attention to the tourist. But the tourist always retains a bright warm spot in the heart for Shanghai.

China's Government Student Today

"The student of today is far more serious on questions effecting life, social reform, religion, etc., than the student of ten years ago" says the Cheeloo Weekly Bulletin in a recent number.

"The old student had a receptive memory; the new student has a receptive mind. Furthermore he has a real sense of religious values and naturalism. His greatest danger lies in the inadequacy of teaching leadership. To meet his needs more attention should be paid to the ministry of the classroom and personal contact."

Doubtless he has his shortcomings but he has certainly been underrated, for he has been judged too much by the features of mob-psychology. The entire class has been severely criticised for the actions of a few "hot headed intellectuals"

7% PROFIT PARTICIPATING FIRST MORTGAGE DEBENTURES

INTEREST PAYABLE SEMI-ANNUALLY

Issued in Taels and Dollars
in Denominations and to Maturity
To Suit all Individual Investors.

We believe that those who furnish the money should participate in the profits earned, so that at the end of the fiscal year, the Profits of the Debenture Department are ascertained and audited by Public Accountants and

25% **of the Profits are Distributed as Bonus to Debenture Holders**

These Are Not Blanket Mortgages Or Debentures

We combine Funds received from Debentures, investing in Mortgages on First Class Real Estate as SECURITY, and these Mortgages are set aside and SPECIFICALLY pledged as security for repayment of Principal and Interest of Debentures issued.

As additional SECURITY, is the GUARANTEE of the China Realty Co., Fed., Inc., U.S.A., with all its capital and assets.

For Booklet and Further Particulars

APPLY TO

CHINA REALTY COMPANY

FED. INC., U.S.A.,

"SHANGHAI'S REAL ESTATE MARKET PLACE"

70 Szechuen Road. *Telephone C. 8288-90*

39-119

A Real Cigarette!

The Home of the GOLDEN DRAGON Cigarette (Shanghai)

It's the Taste!

The increasing popularity of GOLDEN DRAGON cigarettes in China can only be ascribed to the richness, the smoothness and the mellowness of the pure Virginia tobacco of which they are made. Try a GOLDEN DRAGON and be convinced!

Always Good

Manufactured by

Nanyang Brothers Tobacco Company, Limited

SHANGHAI

39-120

THE COMACRIB DIRECTORY OF CHINA
a January Annual Edition in English

Published by

THE COMMERCIAL & CREDIT INFORMATION BUREAU
29 Szechuen Road, Shanghai—Post Office Box-1022

The Comacrib Directory is indispensible for Mailing Lists, etc., and is a very valuable medium for advertisers, both in China and direct Exporters to the Orient. ADVERTISING RATES UPON REQUEST.

Order your Copy of the Next Edition NOW by returning this form:

THE
COMACRIB
DIRECTORY
of CHINA
The Directory that comes out on time
Published by
The Commercial & Credit Information Bureau
29 Szechuen Road, Shanghai
China Building, Hongkong

Published Annually in January

Book Order
(Not to be Countermanded)

To
THE COMMERCIAL & CREDIT INFORMATION BUREAU
29 SZECHUEN ROAD SHANGHAI, CHINA.

.....192.....

We hereby subscribe for.....copies of **"The Comacrib Directory of China,"** 19.....edition, for which we agree to pay.....dollars, on delivery of the book, and.....Copy/Copies of the Comacrib Chinese Directory of Shanghai and Kiangsu Province in Chinese @ $1.00 per Copy

Signed.....

By.....

Title.....

The price of this book is $10.00 delivered at any post office in the known world

(A Receipt for the Above will be Forwarded By Return Mail)

Who's Who Among Contributors to this Number of the Review

Hsu Yuan, who wrote "Keeping the Melting Pot Cool Is the Chief Problem of International Shanghai" is the Commisioner of Foreign Affairs in Kiangsu Province. He lives in Shanghai.

Capt. Robert Dollar whose article "Shanghai Thirty Years Ago—a Retrospect and an Optimistic Glimpse Into the Future" is the founder of the great Dollar Steamship and Lumber interests. He may be regarded as the pioneer in modern American trade with China.

Luther M. Jee who writes about the motion picture industry in China is general manager of the Peacock Motion Picture Corporation which concern distributes foreign films and produces Chinese pictures. Mr. Jee is an American returned Student.

J. S. Potter whose comprehensive article on Shanghai Real Estate appears in this issue is associated with the Asia Realty Company as secretary-treasurer.

E. Kann whose article on the Shanghai Gold Stock Exchange gives some very intimate glimpses into the working of this institution is a Bill and Bullion Broker and author of "The Currencies of China" a book recently published in Shanghai by Kelly and Walsh. Mr. Kann was formerly with the Chinese-American Bank of Commerce.

A. Q. Adamson whose article traces the development of Construction Methods in Shanghai is head of the building bureau of the National Committee of the Y.M.C.A. of China.

B. Y. Lee who gives a resumé of Shanghai's industrial development in this issue is an American returned student who has been closely associated with the Chinese Cotton Mill Owners Association. He is now head of the commercial courses in the Shanghai College of Commerce.

Verne Dyson who has two articles appearing in this issue, one on the development of the motor car business and another on Pootung is a Shanghai writer and novelist who has lived here for many years.

Geo. J. McCarthy who presents Shanghai as a port for the instruction and entertainment of world tourists is the passenger agent in Shanghai for the Dollar Steamship Lines.

G. W. Philleo who tells of Shanghai's need of a great increase in electrical power is manager of the power engineering department of Andersen, Meyer & Co,, Ltd.

Tong Younglee who attributes the rapid growth in hosiery manufacturing in Shanghai to the introduction of modern machinery is associated with the Foot Ease Hosiery Mills, a Chinese firm.

Virginia Smith Cowper whose article in this issue tells of the kinds of foreign books the Chinese are reading is manager of the retail department of the Chinese American Publishing Co.

A. J. Hughes whose article analyzes the life insurence business in China is managing director of the China Untied Assurance Society, Ltd, a Chinese Concern.

H. F. MacNair who is the author of the article on the May 30th Affair is a member of the faculty of St. John's University Shanghai and a writer of note on Chinese political and economic subjects.

Miss Louise B. Wilson who has an article on Shanghai's parks appearing in this issue is associated with the *North China Daily News* as reporter and feature writer. The article in this number of *The Review* is a revision of a series on this subject which Miss Wilson recently contributed to the *North China Daily News.*

A PUBLIC SAVINGS COMPANY.

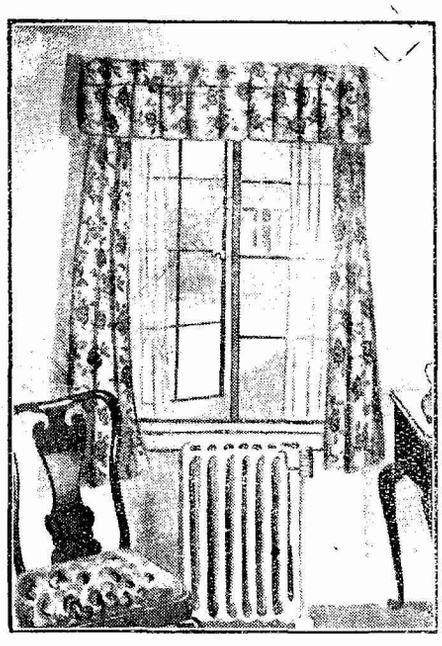
With an authorized Capital
of Shanghai Taels 65,000, ½ paid up, and Francs 2,000,000, ¼ paid up.
Founded in 1912 and registered under the French Government
Laws of 24th July 1867 and 1st August 1893.
Recorded at the French Consulate General at Shanghai
as a French Company, in Conformity with the decree of 19th February 1925 (No. 3 du Registre d'Immatriculation) and Registered at the Board of Trade in France (Ministere du Travail et de la Prevoyence Sociale) and at the Chinese Board of Finance, Peking.

Amoy · Bangkok · Canton · Chungking · Chefoo · Foochow · Hankow · Harbin · Macao · Moukden · Peking · Swatow · Tientsin · Tsinan · Tsingtao · Yunnanfu

Premium Bonds of
$2000 $1000 $5000
are obtainable by paying monthly
$12 $6 $3

6688 Reimbursements Totalling
$196,671
Were paid to Fortunate Bondholders at the drawing held on the 15 Novembers 1926

Save Regularly and participate in our monthly drawings



STANDARD STEEL CASEMENT WINDOWS

Manufactured from rust resisting steel weathertight, Fireproof and permanent.

TRUSCON STEEL CO.

No. 3 Canton Road
SHANGHAI

Manufacturers of fireproof building material.

Telephone Central 4779
Cableaddress: **Kahncrete**

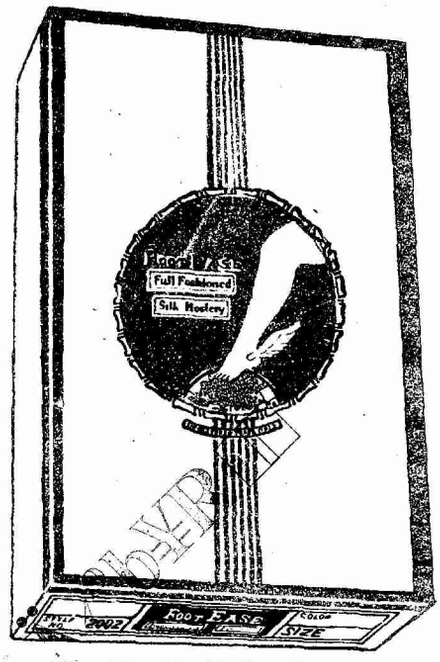
39-122

FOOT-EASE HOSE

Making:——

Hosiery History

An All Silk Full-Fashioned Chiffon



An All Silk Full-Fashioned Chiffon

The All Silk Chiffon Stocking

KNIT FOR DANCING
KNIT FOR WEAR

APPEARANCE

Lustrous silk from toe to garter top; delicate texture, clear as crystal.

COMFORT

Knit to proper shape and size; snug ankle fit; plenty of elasticity for garter top.

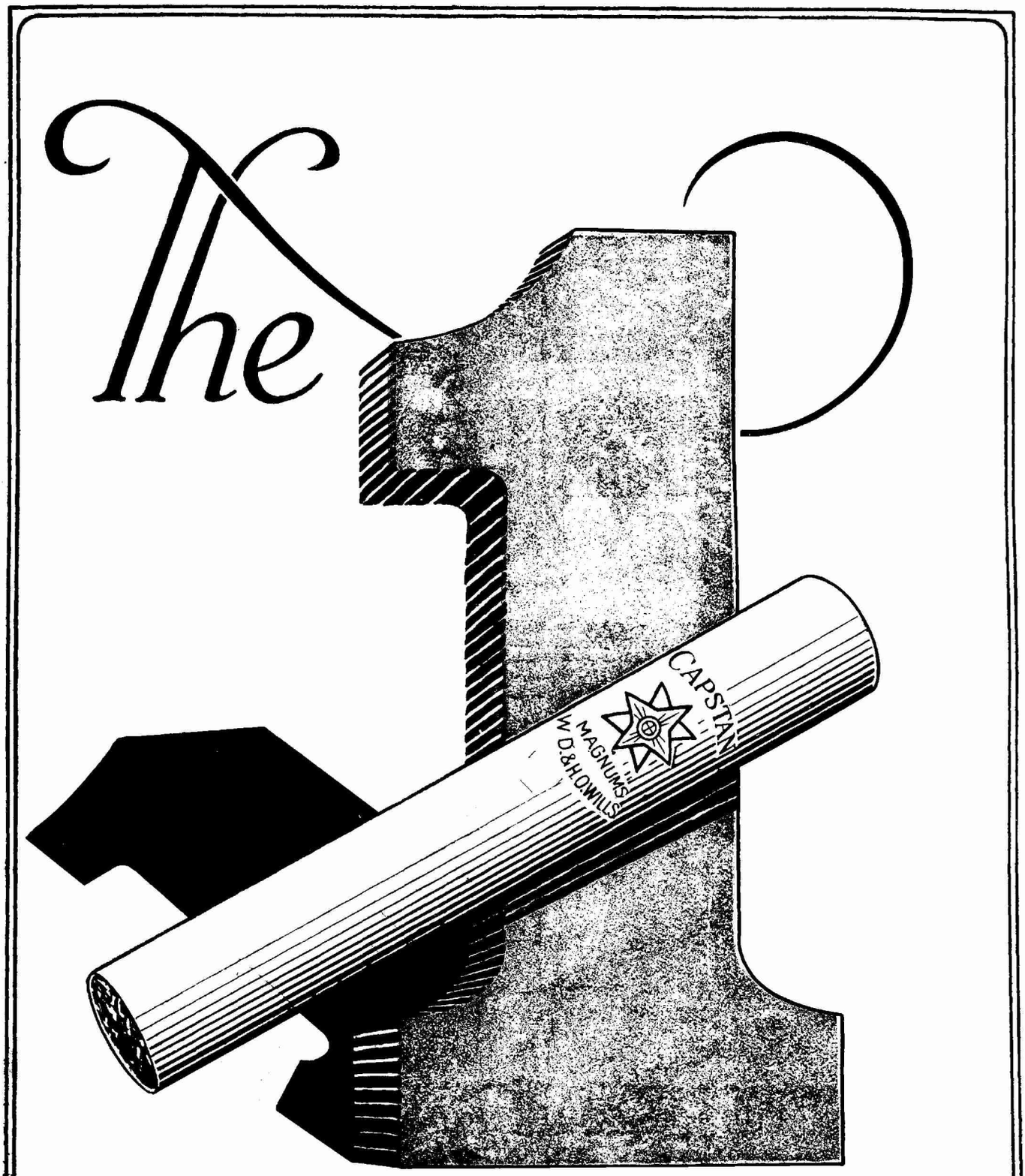
ECONOMY

Double reinforcement at heel, toe and garter top, giving maximum wear
A garter stop just below welt positively prevents runs.

SOLD BY ALL LEADING STORES

Manufactured By

Foot Ease Hosiery Mill
SHANGHAI



Cigarette

This advertisement is issued by the British-American Tobacco Co (China) Ltd MB-193